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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1984

STATE OF OREGON

VICTOR ATIYEH , GOVERNOR

EXECUTIVE DEPARTMENT

ROBERT W. SMITH, DIRECTOR

REPORT PREPARED BY:
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STATE OF OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 1984

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VICTOR ATIYEH
GOVERNOR

Executive Department

155 COTTAGE STREET NE., SALEM, OREGON 97310

October 31, 1984

GOVERNOR
MEMBERS OF THE LEGISLATURE
AND OTHER CITIZENS OF OREGON

It is a pleasure to present the annual statewide financial statement for the State of Oregon prepared in accordance with ORS 291.040.

The accompanying financial statements present the financial condition of the State of Oregon as of June 30, 1984 and the results of operations for the year then ended. These statements are presented in accordance with generally accepted accounting principles applicable to governmental agencies.

The financial statements include the financial transactions of all state agencies. Supporting financial information, statistics, and notes are provided as considered necessary to completely and adequately disclose the financial status of the State.

We hope that we have provided financial statements which will be valuable to legislators, concerned citizens, and investors. Suggestions or comments are always welcome.

Robert W. Smith
Director

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ORGANIZATION OF OREGON STATE GOVERNMENT

General Organization

The government of the State of Oregon is comprised of three separate branches: Executive, Legislative, and Judicial. The Executive Branch which administers state agencies and enforces state laws, is headed by six independently elected officials. These are the Governor, Secretary of State, State Treasurer, Attorney General, Labor Commissioner, and Superintendent of Public Instruction.

The Governor, Secretary of State, and State Treasurer, in addition to performing their individual duties, jointly form the Land Board. The three members of the Board have equal responsibilities and the Governor serves as chairperson.

The Attorney General, Superintendent of Public Instruction, and Labor Commissioner are elected to carry out the particular duties of their respective divisions.

The Executive Branch

The Governor is elected to a four-year term and is limited to serving two terms in any twelve-year period. The present Governor, Victor Atiyeh, assumed office on January 8, 1979. Responsibilities of the Governor, in addition to chairing the Land Board, include planning and recommending a budget to the State Legislature, coordinating activities of state agencies, initiating future state activities, and coordinating services of federal and local governments.

The Governor is empowered to call special sessions of the Legislature and may veto single appropriation items or emergency clauses on legislative bills. He appoints numerous agency heads, board and commission members, and other officials.

The Secretary of State is the auditor of public accounts in the state and is chief elections officer. As auditor, the Secretary of State conducts audits of municipal corporations and audits the accounts and financial affairs of state boards, commissions, departments, and institutions. The Secretary of State also edits, codifies, and publishes Administrative Rules, which supplement laws passed by the Legislature and prescribe the manner in which state agencies conduct their business.

The State Treasurer is responsible for all moneys paid into the State Treasury and, as the State's Investment Officer, invests trust and general funds. The Treasurer also receives and disburses state funds, has custody of securities deposited with the state, and oversees the issuing, paying of interest, and retiring of bonds. The Treasurer is a member of the Oregon Investment Council, the State Land Board, the Local Government Investment Board, the Municipal Debt Advisory Commission, the Public Contract Review Board, and the Oregon Mass Transportation Financing Authority.

The State Land Board was created by the 1967 Legislature to supervise administration of state-owned lands and public rights in submerged and submersible lands. Proceeds from the use of these lands are deposited as principal in the Common School Trust Fund. Interest from the Fund is paid to counties for school operation.

The Legislative Branch

Oregon's Legislative Branch is comprised of a bicameral legislative assembly and its permanent and temporary legislative committees. The Senate has thirty members elected to four-year terms with half elected every two years. The House of Representatives has sixty members, all elected every two years.

The Legislature convenes its regular session in January of each odd-numbered year. The most recent session began January 10, 1983 and ended July 16, 1983. Session length is not prescribed by the Constitution, although it is usually of about six months' duration. The Legislature normally considers between 2,500 and 3,000 bills during a regular session and approximately 25 to 30 percent of these are enacted into law.

Special sessions of the Legislature may be called by the Governor or by a majority of each house to deal with emergency situations. Since 1970, the Legislature has held nine special sessions which have lasted between one and 37 days. The most recent special session was convened on September 14, 1983. The Legislature has never exercised its right to call itself into special session.

The primary function of the Legislature is to enact laws, to provide a forum for public discussion, and to determine fiscal policy together with the Executive branch. Certain Executive decisions are subject to confirmation by the Legislature. In addition, since 1977, Oregon has had a "sunset" law under which certain agencies and programs are terminated unless their continuation is specifically approved by the Legislature.

The Oregon Constitution, Article IX, Section 6, provides that the state may not budget expenditures in excess of revenues. Therefore, the Legislative and Executive branches must provide a balanced budget. The Legislature reviews and revises the Governor's recommended budget and passes appropriation measures to provide revenues. Because the Legislature convenes biennially, the finances of the state are managed on a biennial basis. However, state law now requires that the Executive Department prepare a financial report of state operations at the end of each fiscal year. The first such report was prepared as of June 30, 1979.

Of significant importance in the Legislative branch is the Emergency Board, a joint legislative committee created by statute. The seventeen-member Emergency Board consists of the President of the Senate, Speaker of the House of Representatives, Co-Chairpersons of the Joint Ways and Means Committee, six other Senate members and seven other House members. The Emergency Board, which may schedule its own meetings, usually meets once each month during the interim between regular sessions.

Where an emergency exists, the Emergency Board may allocate to any state agency out of funds appropriated to the Board for that purpose, moneys in addition to those allocated by the Legislature. The Board may take other actions to meet emergency interim needs such as providing funding for an activity required by law, authorizing expenditures from dedicated or continuously appropriated funds, and approving funding for a new activity coming into existence at a time which would preclude submitting of a budget to the Legislature.

In addition, the Legislature has a variety of statutory and interim committees that function throughout the biennium. Principal statutory committees include: Legislative Counsel Committee, Legislative Administration Committee, Land Use Committee, Data Processing Committee, Senate Executive Appointment Committee, Joint Committee on Water Policy and Trade and Economic Development. The major interim committees are the Joint Interim Revenue Committee, Joint Interim Judiciary Committee, Interim Committee on Sunset Review, House Interim Committees, and Senate Interim Task Forces.

The Judicial Branch

The Judicial Branch consists of the Supreme Court, the Court of Appeals, and the Tax Court. On January 1, 1983, the State also assumed the operations of the Circuit and District Courts, with the county employes becoming employes of the State of Oregon. The seven-justice Supreme Court was created and its jurisdiction defined by the Constitution. The Supreme Court has discretionary review of decisions of the Court of Appeals.

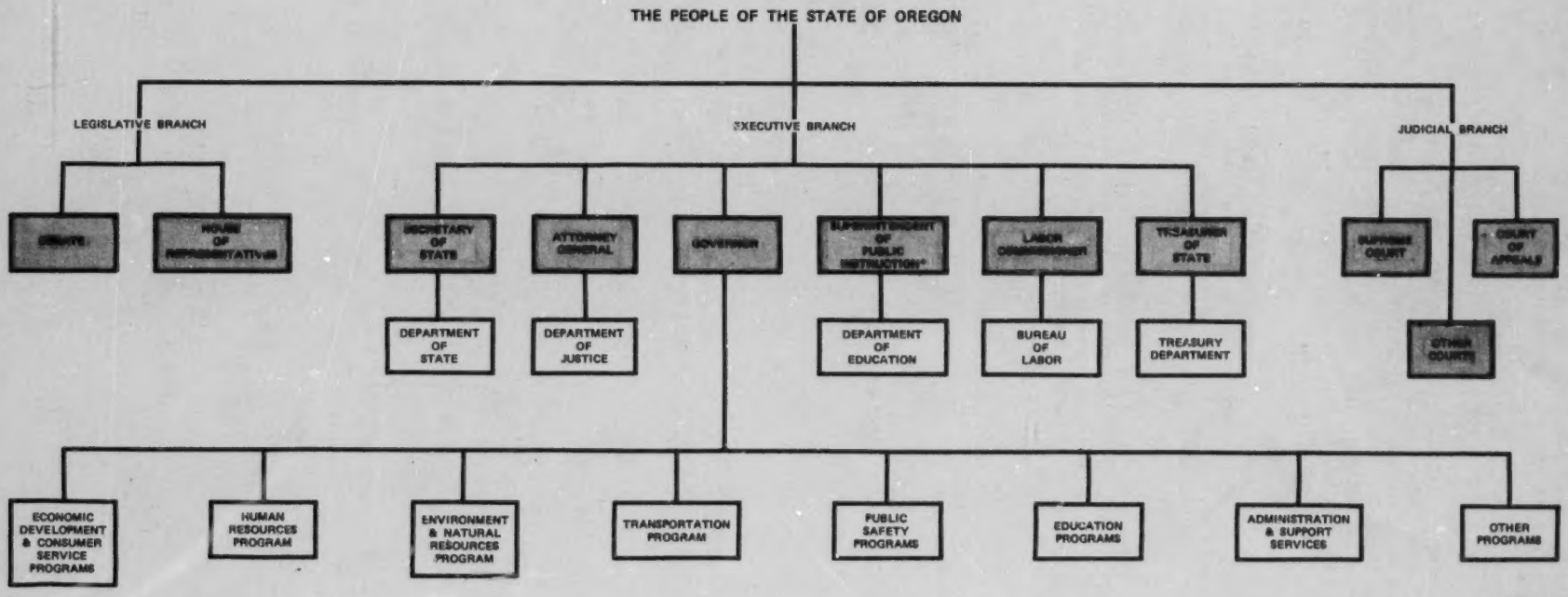
A five-judge Court of Appeals was created by the Legislature in 1969, expanded to six judges in 1973 and expanded to ten judges in 1977. The Court of Appeals has exclusive jurisdiction over all civil and criminal appeals from circuit and district courts and review of orders of state administrative agencies, Corrections Division disciplinary actions, and Board of Parole orders.

The one-judge Tax Court, created by the 1961 Legislature, has exclusive jurisdiction over tax-related matters. The Circuit Court is the state trial court of general jurisdiction, and the District Court is the trial court of limited jurisdiction.

All judges are elected to six-year terms on a non-partisan ballot. The Chief Justice exercises administrative authority over the courts of Oregon.

Exhibit 1 summarizes the organization of state government in Oregon.

STATE OF OREGON
ORGANIZATION OF GOVERNMENT



*The Superintendent of Public Instruction reports to the State Board of Education appointed by the Governor.

SHADING DEPICTS ELECTIVE OFFICES

STATE PROGRAM AREAS

Economic Development and Consumer Services

Since 1970, Oregon's economy has expanded rapidly. However, this expansion has also given rise to increasing demands for a wide variety of public services related to consumer protection, business regulation and public safety in the commercial sector. These demands have been met through more effective operation of existing programs and through the consolidation of overlapping activities wherever possible. The common elements of the many State agencies in this program are the safety and protection of the Oregon public as consumers and producers, as employes and employers, and as savers and investors. In the area of economic development, a variety of local economic stimulating projects are intended to provide more job opportunities for Oregonians and to generally stimulate Oregon's economy. The State Department of Economic Development is overseen by the Economic Development Commission and is active in international trade, port activities, industrial development incentive programs, and small business assistance.

Education

The education program area includes the Department of Education, the Department of Higher Education, and educational support agencies. The Department of Education, acting under the direction of the State Board of 9ducation, exercises all administrative functions of the State relating to supervision, management and control of public, elementary and secondary schools and community colleges. The Department of Higher Education provides direct educational services through the State colleges and universities. The activities of both Departments are coordinated by the Oregon Educational Coordinating Commission.

Human Resources

Human resource agencies offer a variety of social services. Services offered include financial support to needy persons, medical care, protective services, and rehabilitation.

Natural Resources

The overall goal of the agencies in this program area is to conserve, develop, and protect the State's natural resources.

Public Safety

The overall goal for the public safety program area is a reduction in the amount of harm to individuals and damage to property caused by events of natural disasters, civil disorders, traffic accidents, criminal activities, and armed conflict. Other major objectives include improvement of criminal prosecution and consumer protection from fraudulent business practices.

Transportation

The transportation program area consists of the Department of Transportation, the Traffic Safety Commission, and the Travel Information Council. The basic goal of the Department of Transportation is to provide the State with systems of transportation which are safe, are environmentally compatible and provide for orderly economic growth. The objective of the Traffic Safety Commission is to promote traffic safety in Oregon by the use of Federal grants to State agencies and local governments. The Travel Information Council develops and maintains a Motorist Information and Sign Plaza Program and promulgates regulations to control on-premise signs and signs in unzoned commercial and industrial areas.

Administration and Support Services

This program area includes those agencies which provide either executive leadership or administrative and planning support services to line agencies.

Legislative Branch

The Legislative Branch is comprised of the Legislative Assembly and the permanent and temporary legislative committees. The bicameral ninety member Oregon Legislative Assembly convenes in odd-numbered years in regular legislative session. Permanent, statutorily established legislative committees provide special staff services to the Legislature. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies to meet emergency needs when the Legislature is not in session.

Judicial Branch

The judicial program area is comprised of the state supported portion of the Judicial Branch of government to ensure an effective judicial system for the State.

STATE BUDGETARY PROCESS

Each agency of the State of Oregon is required by Oregon Revised Statute 291.208 to submit a budget request to the Executive Department prior to September 1 of each even-numbered year. Throughout the fall these budget requests are reviewed and budget hearings are held by the Executive Department and by the Governor. The Governor's budget recommendations to the Legislature must be printed and distributed by the beginning of December. Appropriation bills for each agency are prepared separately and filed during December. When the Legislature convenes in early January, the Joint Committee on Ways and Means can begin consideration of each bill.

The Legislative Fiscal Office functions as the staff of the Ways and Means Committee and analyzes each budget. Public hearings are held by Ways and Means subcommittees before the recommended budget bill is referred to both houses of the Legislature for a final vote. The Governor may veto any bill. This would render that particular agency budgetless, but the Governor's veto may be overridden by a two-thirds vote of the Legislature.

Since the Oregon Legislature is in session for only approximately six months out of every two years, agencies may request supplemental funding from the Emergency Board of the Legislature, for the interim period. The Emergency Board is a joint legislative committee authorized to make allocations to state agencies from the State Emergency Fund and Other Funds, including dedicated or continuously appropriated funds, and take other actions to meet emergency needs when the Legislature is not in session.

OFFICE OF THE SECRETARY OF STATE

NORMA PAULUS
SECRETARY OF STATE

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GEORGE RENNER
SUPERVISOR
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SALEM, OREGON 97310
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Honorable Victor Atiyeh
Governor of Oregon
State Capitol
Salem, Oregon 97310

We have examined the combined financial statements of the State of Oregon as listed in the foregoing table of contents as of and for the year ended June 30, 1984. Our examination was made in accordance with generally accepted governmental auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Note 1, Summary of Significant Accounting Policies, the generally accepted accounting principles used to prepare the accompanying financial statements were promulgated by the National Council on Governmental Accounting and subsequently adopted by the Governmental Accounting Standards Board (GASB). The Department of Higher Education, however, maintains its accounting records based on generally accepted accounting principles prescribed by the National Association of College and University Business Officers (NACUBO). In order to conform to the presentation followed by other State of Oregon agencies the accounting records of the Department were restructured to conform with generally accepted accounting principles of GASB. GASB requires that depreciation of fixed assets be recorded to determine total expenses, net income, and changes in fund equity for enterprise funds and internal service funds. NACUBO does not require the recording of depreciation in these funds. Due to these differences in accounting principles, no depreciation was provided for on enterprise fund fixed assets of approximately $68 million and internal service fund fixed assets of approximately $3 million. We cannot estimate the understatement of expenses nor the overstatement of net income and fund equity because it was not practical to extend our auditing procedures to determine the amounts of the unrecorded depreciation.

The liability for compensated absences associated with vested vacation benefits is not reported in the financial statements. Generally accepted accounting principles require the liability for compensated absences to be accrued. The effect of this departure from generally accepted accounting principles is to understate the aggregate

liabilities of all funds and the general long term debt account group by approximately $50 million. We cannot estimate the effect of the omission on the various types of funds because the liability was not recorded in the accounting records and it was not practical to extend our auditing procedures to determine the amounts at the time of our examination.

Our examination of the year ending June 30, 1983, which was reported October 23, 1983, was limited only to the combined balance sheet. Because that was the initial audit of the combined financial statements of the State of Oregon, we did not extend our auditing procedures to express an opinion on the combined statement of revenues, expenditures, and changes in fund equity: all governmental and expendable trust funds, the combined statement of revenues, expenditures, and changes in fund equity-budget and actual: governmental funds, the combined statement of operations and changes in fund equity: all proprietary fund types and similar trust funds, and the combined statement of changes in financial position: all proprietary fund types and similar trust funds for the year ended June 30, 1983, nor did we determine if accounting principles were applied consistently. Because of this limited examination for the year ending June 30, 1983, it was not practical to extend our auditing procedures to enable us to express an opinion for the year ending June 30, 1984 on the consistency of application of accounting principles with the preceding year.

In our opinion, except for the effects associated with matters explained in the preceding paragraphs, the combined financial statements referred to above present fairly the financial position of the State of Oregon at June 30, 1984, and the results of its operations and the changes in financial position of its proprietary funds for the year then ended in conformity with generally accepted accounting principles.

Our examination was made solely for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining and individual fund financial statements, schedules and accompanying supplemental financial information are presented for the purpose of additional analysis and are not a required part of the combined financial statements of the State of Oregon. This information has not been subjected to the auditing procedures applied in the examination of the combined financial statements and accordingly, we do not express any opinion with regard to its relationship to the combined financial statements taken as a whole. However, we noted that the combining budget comparison statements present information by fund type rather than by individual fund as required for comprehensive annual financial reports.

The other data included in this report, designated as the economic information section in the table of contents, has not been audited by us and, accordingly, we express no opinion on such data.

Norma Paulus
Secretary of State
and
Auditor of Public Accounts

George Gemmer
Certified Public Accountant
and Supervisor
Division of Audits

October 30, 1984

COMBINED STATEMENTS

Combined Statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund type. They also serve as an introduction to the more detailed statements and schedules that follow.

STATE OF OREGON
COMBINED BALANCE SHEET
ALL FUNDS AND ACCOUNT GROUPS
June 30, 1984

(Expressed in Thousands)

	GOVERNMENTAL FUNDS			
ASSETS	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT
Cash on Hand and in Banks	$ -	$ 63	$ -	$ -
Cash and Pooled Investments (Note 2)	(96,690)	211,385	20,510	10,919
Cash with Fiscal Agent	-	-	3,030	-
Investments - State Treasury (Note 1f)	37,412	63,035	10,005	-
Investments - Other (Note 1f)	-	23	-	246
Securities Held in Trust	-	151	-	-
Receivables (Note 1g)	7,570	93,375	2,637	1,058
Interfund Receivables (Note 10)	265,936	106,230	878	8
Inventories (Note 1h)	10,772	18,286	-	-
Prepaid and Deferred Expenses	-	807	-	-
Discount on Bonds Sold	-	-	-	-
Contracts, Mortgages, and Notes Receivable	4,841	224,490	-	-
Land, Buildings and Improvements (Note 1i,3,4)	-	-	-	-
Leased Property (Net) (Note 8)	-	-	-	-
Construction in Process	-	-	-	-
Equipment and Machinery	-	-	-	-
Allowance for Depreciation (Note 1j)	-	-	-	-
Available for Retirement of L-T Debt	-	-	-	-
To be Provided for Payment of L-T Debt	-	-	-	-
To be Provided for Payment of L-T Liabilities	-	-	-	-
Total Assets	$229,841	$717,845	$37,060	$12,231
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts and Interest Payable (Note 9)	$ 37,824	$114,353	$ 2,144	$ 2,807
Interfund Payables (Note 12)	41,661	73,428	5,386	73
Notes and Bonds Payable - Current	-	5,610	-	-
Trust Funds Payable	-	1,925	-	-
Contract, Mortgages, and Notes Payable (Note 12)	-	-	-	-
Obligation Under Capital Lease (Note 8)	-	-	-	-
Advances from General Fund	-	-	-	-
Matured Bonds Payable	-	-	3,070	-
General Obligation Bonds Payable (Note 9)	-	-	-	-
Revenue Bonds Payable (Note 9)	-	-	-	-
Premium on Bonds	-	-	-	-
Deferred Income	4,842	234,102	9	-
Trust Funds Payable - Reserves	-	-	-	-
Total Liabilities	$ 84,327	$429,418	$10,609	$ 2,880
Fund Equity				
Contributed Capital	$ -	$ -	$ -	$ -
Reserve for Inventories	10,772	18,286	-	-
Reserve for Revolving Accounts	-	1,506	-	-
Reserve - Other	37	97	-	-
Reserve for Trust Funds	-	-	-	-
Invested in Fixed Assets	-	-	-	-
Retained Earnings - Unreserved	-	-	-	-
Fund Balance - Unreserved	134,705	268,538	26,451	9,351
Total Fund Equity	$145,514	$288,427	$26,451	$ 9,351
Total Liabilities and Equity	$229,841	$717,845	$37,060	$12,231

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

PROPRIETARY FUNDS		FIDUCIARY FUNDS	ACCOUNT GROUPS		TOTALS (MEMO ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GEN. FIXED ASSETS	GEN. LONG TERM DEBT	1984	1983
$ 21,140	$ 85	$ 32,691	$ -	$ -	$ 53,979	$ 1,870
140,025	24,084	860,120	-	-	1,170,353	1,029,891
-	-	-	-	-	3,030	2,744
1,235,620	25,511	4,043,984	-	-	5,415,567	3,988,282
146,734	-	5,940	-	-	152,943	938,611
-	-	604,780	-	-	604,931	623,730
198,962	13,358	235,363	-	-	552,323	379,354
16,808	197	46,410	-	-	436,467	310,425
25,286	10,028	68	-	-	64,440	62,363
585	353	-	-	-	1,745	3,279
18,490	-	-	-	-	18,490	18,434
5,468,035	-	197,357	-	-	5,894,723	5,863,369
230,021	65,562	2,297	574,612	-	872,492	845,897
117	2,399	-	2,556	-	5,072	2,925
9,797	3,050	-	4,322	-	17,169	14,205
46,140	119,211	892	330,308	-	496,551	458,021
(72,885)	(71,973)	(163)	-	-	(145,021)	(109,603)
-	-	-	-	26,451	26,451	54,084
-	-	-	-	268,074	268,074	253,856
-	-	-	-	3,939	3,939	9,813
$7,484,875	$191,865	$6,029,739	$911,798	$298,464	$15,913,718	$14,751,550
$ 177,495	$ 8,971	$ 112,278	$ -	$ -	$ 455,872	$ 511,930
25,216	8,083	282,620	-	-	436,467	310,425
477,500	-	23,843	-	-	506,953	-
14,680	79	1,004,607	-	-	1,021,291	1,728,247
9,811	29,484	-	-	3,799	43,094	49,127
-	1,877	2	-	-	1,879	1,510
-	-	-	-	140	140	422
-	-	-	-	-	3,070	2,938
5,112,331	-	-	-	294,525	5,406,856	5,803,090
454,874	-	-	-	-	454,874	496,511
18,887	-	-	-	-	18,887	20,729
3,333	3	197,933	-	-	440,222	390,426
726,085	-	-	-	-	726,085	-
$7,020,212	$ 48,497	$1,621,283	$ -	$298,464	$ 9,515,690	$ 9,315,355
$ -	$ 58,773	$ -	$ -	$ -	$ 58,773	$ -
-	-	-	-	-	29,058	32,130
-	-	-	-	-	1,506	1,497
-	-	-	-	-	134	278
-	-	4,167,488	-	-	4,167,488	3,873,797
-	-	111	911,798	-	911,909	1,081,013
464,663	84,595	-	-	-	549,258	221,079
-	-	240,857	-	-	679,902	226,401
$ 464,663	$143,368	$4,408,456	$911,798	$ -	$ 6,398,028	$ 5,436,195
$7,484,875	$191,865	$6,029,739	$911,798	$298,464	$15,913,718	$14,751,550

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - ALL GOVERNMENTAL AND
EXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	GOVERNMENTAL FUNDS				FIDUCIARY	TOTALS (MEMO ONLY)	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	EXPENDABLE TRUST	YEAR ENDED JUNE 30, 1984	1983
Revenue							
Income Taxes	$1,365,762	$ -	$ -	$ -	$ -	$1,365,762	$ 1,319,802
Selective Sales and Use Taxes	53,152	201,212	1,854	-	-	256,218	61,017
Gross Receipts Business Taxes	34,125	4,409	-	-	-	38,534	35,854
Employer-Employe Taxes	-	96,037	-	-	264,310	360,347	335,553
Inheritance and Gift Taxes	33,705	-	-	-	-	33,705	35,759
Severance Taxes	1,803	-	-	-	-	1,803	1,800
Other Taxes	401	-	-	-	881	1,282	3,039
Business Licenses and Fees	4,682	22,814	-	-	-	27,496	23,427
Nonbusiness Licenses and Fees	2,316	86,763	-	224	71	89,374	28,676
Federal Revenue	107	848,303	-	487	55,484	904,381	948,906
Charges for Services	5,939	203,829	184	203	-	210,155	250,501
Fines and Forfeitures	18,650	1,585	-	-	-	20,235	26,750
Rents and Royalties	135	3,513	-	1	-	3,649	2,889
Interest Income	29,432	23,110	10,625	904	14,354	78,425	52,230
Sales Income	36,858	35,437	-	18	6,671	78,984	78,741
Donations and Grants (Nonfederal)	-	34,656	-	2,852	507	38,015	34,815
SAIF Assessment	-	-	-	-	-	-	81,000
Other Revenue	12,752	26,399	-	2,639	9,237	51,027	35,272
Total Revenue	$1,599,819	$1,588,067	$ 12,663	$ 7,328	$ 351,515	$3,559,392	$ 3,356,031
Other Financing Sources (Uses)							
Transfers-In	$ 415	$ 946,567	$ 8,968	$22,566	$ 5,092	$ 983,608	$ 1,597,778
Transfers-Out	(665,172)	(430,404)	733	(8,464)	(298,749)	(1,402,056)	(1,588,490)
Bond Proceeds	-	(27)	-	-	-	(27)	27,000
Loan Repayments/Proceeds	-	959	3,414	(26)	5,454	9,801	6,423
Total Other Financing Sources (Uses)	$ (664,757)	$ 517,095	$ 13,115	$14,076	$(288,203)	$ (408,674)	$ 42,711
Total Revenue and Other Financing Sources (Uses)	$ 935,062	$2,105,162	$ 25,778	$21,404	$ 63,312	$3,150,718	$ 3,398,742
Expenditures							
Personal Services	$ 387,243	$ 474,876	$ 5	$ 127	$ 1,682	$ 863,933	$ 863,105
Services and Supplies	112,252	472,223	-	4,347	3,896	592,718	645,723
Capital Outlay	13,940	18,308	-	21,249	41	53,538	39,327
Special Payments	332,522	1,083,296	(1,861)	-	(3,638)	1,410,319	1,317,650
Debt Service	-	104	31,473	44	-	31,621	35,451
Other	-	4	-	-	-	4	471,828
Total Expenditures	$ 845,957	$2,048,811	$ 29,617	$25,767	$ 1,981	$2,952,133	$ 3,373,084
Excess (Deficiency) of Revenue Over Budgeted Expenditures	$ 89,105	$ 56,351	$ (3,839)	$(4,363)	$ 61,331	$ 198,585	$ 25,658
Fund Equity Beginning	55,581	231,261	54,084	26,176	179,323	546,425	510,582
Increase (Decrease) in Reserves	-	-	-	-	-	-	-
Inventories	819	(3,865)	-	-	(26)	(3,072)	9,776
Investment in Fixed Assets	-	-	-	-	(1,231)	(1,231)	-
Revolving Accounts	-	-	-	-	-	-	80
Other	9	(135)	-	-	179	53	68
Prior Period Adjustments	-	4,815	(23,794)	(12,462)	1,392	(30,049)	261
Fund Equity - Ending	$ 145,514	$ 288,427	$ 26,451	$ 9,351	$ 240,968	$ 710,711	$ 546,425

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF OPERATIONS AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMO ONLY) YEAR ENDED JUNE 30,	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	1984	1983
Sales Income	$ 116,455	$ 20,045	$ -	$ -	$ 136,500	$ 131,562
Cost of Goods Sold	75,289	15,301	-	-	90,590	91,779
Gross Profit on Sales	$ 41,166	$ 4,744	$ -	$ -	$ 45,910	$ 39,783
Other Income						
Contributions	$ -	$ -	$ 391,321	$ -	$ 391,321	$ 382,698
Taxes and Licenses	12,862	254	-	46	13,162	13,979
Federal Revenue	681	-	-	10	691	1,181
Charges for Services	401,045	143,557	(4)	98	544,696	259,363
Rents and Royalties	1,241	12,371	-	1,565	15,177	12,709
Fines and Forfeitures	154	-	-	-	154	41
Interest Income	509,769	3,531	432,556	13,535	959,391	877,777
Donations and Grants (Nonfederal)	759	(6)	-	966	1,719	1,132
Other Revenue	(262)	3,467	-	3,549	6,754	55,412
Loss on Foreclosed Property (Net)	(18,661)	-	-	-	(18,661	(15,075)
Gain on Defeasance	559	-	-	-	559	-
Fees Waived	(32,335)	-	-	-	(32,335)	-
Total Other Income	$ 875,812	$163,174	$ 823,873	$ 19,769	$1,882,628	$1,589,217
Total Income	$ 916,978	$167,918	$ 823,873	$ 19,769	$1,928,538	$1,629,000
Operating Expenses						
Personal Services	$ 207,203	$ 59,960	$ 1,653	$ 1,013	$ 269,829	$ 168,233
Services and Supplies	121,983	87,030	1,010	793	210,816	149,235
Special Payments	196,237	-	-	-	196,237	22,050
Debt Service	-	-	-	-	-	424,318
Depreciation	2,598	10,700	17	-	13,315	17,699
Benefit Payments	-	-	197,068	-	197,068	185,342
Distribution to Governments	-	-	-	14,037	14,037	-
Interest Expense	436,867	500	-	-	437,367	1,031
Total Expenses	$ 964,888	$158,190	$ 199,748	$ 15,843	$1,338,669	$ 967,908
Net Income (Loss) From Operations	$ (47,910)	$ 9,728	$ 624,125	$ 3,926	$ 589,869	$ 661,092
Other Sources (Uses) of Funds						
Operating Transfers-in	$ 190,253	$ 87	$ 386	$ 7,418	$ 198,144	$ 193,547
Operating Transfers-out	(146,942)	(3,129)	(339)	(3,915)	(154,325)	(210,107)
Gain (Loss) on Sale of Equipment	-	(725)	(18)	201	(542)	(634)
Total Other Sources (Uses)	$ 43,311	$ (3,767)	$ 29	$ 3,704	$ 43,277	$ (17,194)
Net Income (Loss)	$ (4,599)	$ 5,961	$ 624,154	$ 7,630	$ 633,146	$ 643,898
Fund Equity - Beginning	107,533	113,546	3,390,347	198,673	3,810,099	2,920,198
Increased Value of Investments	-	-	7,074	-	7,074	326,282
Contributions From (To) Other Funds	-	23,683	-	(60,390)	(37,707)	(89,838)
Prior Period Adjustment	361,729	178	-	-	361,907	9,559
Fund Equity - Ending	$ 464,663	$143,368	$4,021,575	$145,913	$4,775,519	$3,810,099

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMO ONLY) YEAR ENDED JUNE 30,	
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	1984	1983
Sources of Working Capital						
Operations:						
Net Income (Loss)	$ (4,599)	$ 5,961	$624,154	$ 7,630	$ 633,146	$ 643,898
Add Depreciation/Amortization not Requiring Expenditures of Funds	2,598	10,700	17	-	13,315	17,698
Total Provided by Operations	$ (2,001)	$16,661	$624,171	$ 7,630	$ 646,461	$ 661,596
Contributed From Another Fund	-	3,549	-	-	3,549	-
Lease Purchase Contracts	-	3,854	-	-	3,854	11,840
Disposal of Property and Equipment	131	1,324	-	-	1,455	1,567
Sale of Bonds	42,648	-	-	-	42,648	492,986
Loan Repayments	337,427	-	-	-	337,427	361,119
Other Miscellaneous	1,132	-	-	-	1,132	-
Increased Valuation of Investments	-	-	7,074	-	7,074	326,279
Prior Period Adjustment to Working Capital	-	-	-	-	-	24,301
Increase in Loss Reserves	61,032	-	-	-	61,032	-
Loan Reductions - Foreclosures	89,516	-	-	-	89,516	-
Total Provided	$ 529,885	$25,388	$631,245	$ 7,630	$1,194,148	$1,879,688
Uses of Working Capital						
Bonds Reclassified as Current	$ 210,500	$ -	$ -	$ -	$ 210,500	$ -
Retirement of Bonds	256,614	-	-	-	256,614	176,828
Payment on Loans	-	4,860	-	-	4,860	2,915
Loans Made	429,471	-	-	-	429,471	352,826
Property Acquired From Another Fund	-	6,371	-	-	6,371	3,475
Construction of Buildings	27,953	-	-	-	27,953	6,159
Purchase of Property and Equipment	3,374	10,024	101	179	13,678	12,622
Payment of Other Long-Term Debt	81	-	-	-	81	109
Purchase Capital Lease/Leasehold	-	-	-	-	-	1,864
Other	1,551	-	-	-	1,551	28
Decrease in Unearned Premium Reserve	15,733	-	-	-	15,733	-
Total Applied	$ 945,277	$21,255	$ 101	$ 179	$ 966,812	$ 556,826
Net Increase (Decrease) in Working Capital	$(415,392)	$ 4,133	$631,144	$ 7,451	$ 227,336	$1,322,862
Elements of Net Increase (Decrease) in Working Capital						
Cash	$ (46,526)	$ 169	$ 55,636	$ 4,333	$ 13,612	$ (127,486)
Investments	(44,338)	(339)	601,632	6,068	563,023	1,390,647
Receivables	59,002	2,826	10,613	707	73,148	43,103
Inventories	4,000	1,143	22	1	5,166	1,800
Prepaid Expenses	(8,102)	309	-	-	(7,793)	-
Payables	(426,252)	(36)	(36,759)	(3,624)	(466,671)	9,637
Trust Funds Payable	45,209	-	-	-	45,209	-
Deferred Income	(282)	61	-	(34)	(255)	(895)
Premium/Discount on Bonds	1,897	-	-	-	1,897	6,056
Net Increase (Decrease) in Working Capital	$(415,392)	$ 4,133	$631,144	$ 7,451	$ 227,336	$1,322,862

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL FUNDS

(Expressed in Thousands)

	GENERAL FUND		
	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Income Taxes	$2,745,513	1,365,762	$1,379,751
Selective Sales and Use Taxes	105,150	53,153	51,997
Gross Receipts Business Taxes	65,680	34,126	31,554
Employer-Employe Taxes	-	-	-
Inheritance and Gift Taxes	46,120	33,705	12,415
Severance Taxes	-	1,802	(1,802)
Other Taxes	5,173	401	4,772
Business Licenses and Fees	9,739	4,682	5,057
Nonbusiness Licenses and Fees	19,001	2,316	16,685
Federal Revenue	-	106	(106)
Charges for Services	11,073	5,939	5,134
Fines and Forfeitures	29,712	18,650	11,062
Rents and Royalties	-	135	(135)
Interest Income	15,800	29,431	(13,631)
Sales Income	80,752	36,857	43,895
Donations and Grants (Nonfederal)	-	-	-
Contributions	-	-	-
Other Revenue	37,583	12,752	24,831
Total Revenue	$3,171,296	$1,599,817	$1,571,479
Expenditures			
Personal Services	$ 810,172	$ 386,245	$ 423,927
Services and Supplies	239,022	112,155	126,867
Capital Outlay	21,894	13,965	7,929
Special Payments	2,049,420	982,222	1,067,198
Debt Service	-	-	-
Total Expenditures	$3,120,508	$1,494,587	$1,625,921
Excess (Deficiency) of Revenues Over Budgeted Expenditures	$ 50,788	$ 105,230	$ (54,442)
Other Financing Sources (Uses)			
Nonlimited Expenditures	-	-	-
Nonlimited Revenues	-	-	-
Operating Transfers-in - Interfund	-	415	(415)
Operating Transfers-out - Interfund	(29,054)	(10,326)	(18,728)
Transfers to Counties and Cities	-	-	-
Bond Sales/Loan Proceeds	-	-	-
Loan Repayments	-	-	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 21,734	$ 95,319	$ (73,585)
Fund Equity, July 1, 1983		55,581	
Adjustments Recorded During The Year But Charged to Prior Bienniums			
Revenue		(443)	
Expenditures		(5,771)	
Increase (Decrease) in Reserves			
Inventories		819	
Revolving Accounts		-	
Other		9	
Depreciation and Amortization		-	
Prior Period Adjustments		-	
Fund Equity, June 30, 1984		$ 145,514	

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	23	(23)	2,803	1,413	1,390	-	-	-
8,983	4,409	4,574	-	-	-	-	-	-
76,694	50,152	26,542	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
47,932	22,761	25,171	-	-	-	-	-	-
51,963	27,869	24,094	-	-	-	117	4	113
1,688,499	735,320	953,179	-	-	-	25,995	280	25,715
290,317	167,340	122,977	-	-	-	24,143	4	24,139
1,528	1,399	129	-	-	-	-	-	-
4,233	3,119	1,114	-	-	-	-	1	(1)
9,542	14,400	(4,858)	-	-	-	-	2	(2)
77,066	32,890	44,176	-	-	-	272	198	74
11,606	5,644	5,962	-	-	-	510	2,354	(1,844)
-	-	-	-	-	-	-	-	-
55,676	38,236	17,440	-	-	-	130	139	(9)
$2,324,039	$1,103,562	$1,220,477	$ 2,803	$ 1,413	$ 1,390	$ 51,167	$ 2,982	$ 48,185
$ 880,146	$ 410,934	$ 469,212	$ -	$ -	$ -	$ -	$ 115	$ (115)
965,790	380,242	585,548	-	-	-	7,398	1,495	5,903
24,654	11,610	13,044	-	-	-	90,183	12,270	77,913
844,225	410,294	433,931	-	-	-	-	-	-
-	27	(27)	39,849	13,522	26,327	-	42	(42)
$2,714,815	$1,213,107	$1,501,708	$ 39,849	$ 13,522	$ 26,327	$ 97,581	$ 13,922	$ 83,659
$ (390,776)	$ (109,545)	$ (281,231)	$(37,046)	$(12,109)	$(24,937)	$(46,414)	$(10,940)	$(35,474)
-	(961,897)	961,897	-	(17,959)	17,959	-	(5,445)	5,445
-	924,011	(924,011)	-	14,368	(14,368)	-	693	(693)
902,728	468,794	433,934	37,709	12,356	25,353	44,233	16,052	28,181
(79,820)	(168,846)	89,026	-	-	-	(472)	(873)	401
(301,007)	(87,052)	(213,955)	-	-	-	-	-	-
75,535	-	75,535	-	-	-	-	-	-
-	49	(49)	-	-	-	-	-	-
$ 206,660	$ 65,514	$ 141,146	$ 663	$(3,344)	$ 4,007	$ (2,653)	$ (513)	$ (2,140)
	231,261			54,084			26,176	
	(4,932)			(498)			2,550	
	(4,231)			3			(6,400)	
	(3,865)			-			-	
	7			-			-	
	(142)			-			-	
	-			-			-	
	4,815			(23,794)			(12,462)	
	$ 288,427			$ 26,451			$ 9,351	

STATE OF OREGON
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL FUNDS

(Expressed in Thousands)

	ENTERPRISE FUNDS		
	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Income Taxes	$ -	$ -	$ -
Selective Sales and Use Taxes	25,743	10,595	15,148
Gross Receipts Business Taxes	-	-	-
Employer-Employe Taxes	-	-	-
Inheritance and Gift Taxes	-	-	-
Severance Taxes	-	-	-
Other Taxes	-	-	-
Business Licenses and Fees	1,280	1,831	(551)
Nonbusiness Licenses and Fees	1,320	-	1,320
Federal Revenue	-	-	-
Charges for Services	197,041	145,838	51,203
Fines and Forfeitures	-	85	(85)
Rents and Royalties	1,680	1,143	537
Interest Income	6,023	4,924	1,099
Sales Income	153,502	38,473	115,029
Donations and Grants (Nonfederal)	-	-	-
Contributions	-	-	-
Other Revenue	4,905	380	4,525
Total Revenue	$ 391,494	$ 203,269	$ 188,225
Expenditures			
Personal Services	$ 325,955	$ 159,415	$ 166,540
Services and Supplies	124,893	61,456	63,437
Capital Outlay	7,089	3,288	3,801
Special Payments	10,104	2,210	7,894
Debt Service	6,500	19,339	(12,839)
Total Expenditures	$ 474,541	$ 245,708	$ 228,833
Excess (Deficiency) of Revenues Over Budgeted Expenditures	(83,047)	(42,439)	(40,608)
Other Financing Sources (Uses)			
Nonlimited Expenditures	$ -	$(1,479,033)	$ 1,479,033
Nonlimited Revenues	-	1,436,019	(1,436,019)
Operating Transfers-in - Interfund	172,293	94,063	78,230
Operating Transfers-out - Interfund	(101,221)	(76,473)	(24,748)
Transfers to Counties and Cities	(35,170)	(16,324)	(18,846)
Bond Sales/Loan Proceeds	-	-	-
Loan Repayments	1,391	1,345	46
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ (45,754)	$ (82,842)	$ 37,088
Fund Equity, July 1, 1983		107,533	
Adjustments Recorded During The Year But Charged to Prior Bienniums			
Revenue		12,457	
Expenditures		(3,036)	
Increase (Decrease) in Reserves			
Inventories		-	
Revolving Accounts		-	
Other		221,055	
Depreciation and Amortization		(2,598)	
Prior Period Adjustments		212,094	
Fund Equity, June 30, 1984		$ 464,663	

See letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

INTERNAL SERVICE FUNDS			TRUST & AGENCY FUNDS			TOTALS (MEMO ONLY)		
1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
$ -	$ -	$ -	$ -	$ -	$ -			
-	-	-	331,975	206,966	125,009			
-	-	-	7,679	3,480	4,199			
-	-	-	84,000	44,683	39,317			
-	-	-	-	-	-			
-	-	-	91,500	28,076	63,424			
-	-	-	14,585	13,724	861			
70	79	(9)	362	199	163			
26	29	(3)	114,150	60,865	53,285			
-	-	-	7,274	2,317	4,957			
239,371	106,836	132,535	5,233	2,191	3,042			
12	10	2	-	-	-			
23,293	12,418	10,875	4,759	1,563	3,196			
92	7	85	385,691	443,802	(58,111)			
44,056	20,839	23,217	40,856	10,983	29,873			
10	2	8	803	470	333			
-	-	-	1,965,739	720,416	1,245,323			
402	122	280	28,202	3,725	24,477			
$307,332	$140,342	$166,990	$3,082,808	$1,543,460	$1,539,348	$9,330,939	$ 4,594,845	$4,736,084
$102,959	$ 47,910	$ 55,049	$ 9,694	$ 4,328	$ 5,366			
143,501	57,507	85,994	9,723	3,672	6,051			
12,089	7,239	4,850	288	212	76			
-	-	-	20,736	8,884	11,852			
-	9	(9)	-	-	-			
$258,549	$112,665	$145,884	$ 40,441	$ 17,096	$ 23,345	$6,746,284	$3,110,607	$3,635,677
$ 48,783	$ 27,677	$ 21,106	$3,042,367	$1,526,364	$1,516,003	$2,584,655	$ 1,484,238	$1,100,417
-	(59,420)	59,420	-	(506,357)	506,357	-	(3,030,111)	3,030,111
-	88,351	(88,351)	-	372,095	(372,095)	-	2,835,537	(2,835,537)
20,286	8,826	11,460	46,940	203,807	(156,867)	1,224,189	804,313	419,876
(21,886)	(60,178)	38,292	(517,744)	(292,109)	(225,635)	(750,197)	(608,805)	(141,392)
-	-	-	(976,492)	(628,819)	(347,673)	(1,312,669)	(732,195)	(580,474)
-	-	-	-	13,191	(13,191)	75,535	13,191	62,344
80	703	(623)	14,072	5,367	8,705	15,543	7,464	8,079
$ 47,263	$ 5,959	$ 41,304	$1,609,143	$ 693,539	$ 915,604	$1,837,056	$ 773,632	$1,063,424
	113,546			3,768,343			4,356,524	
	4,223			6,127			19,484	
	3,021			(7,082)			(23,496)	
	-			(26)			(3,072)	
	-						7	
	3,458			(504)			223,876	
	(10,700)			(17)			(13,315)	
	23,861			(51,924)			152,590	
	$143,368			$4,408,456			$5,486,230	

NOTES TO THE STATEMENTS

The notes to the financial statements contain a summary of significant accounting policies and other notes considered necessary for a clearer understanding of the financial statements.

1. Summary of Significant Accounting Policies

a. Reporting Entity

The reporting entity of the State of Oregon includes all state agencies, universities, commissions, and boards for which the elected state officials have oversight responsibility. Oversight responsibility implies that the state officials have final decision-making authority, designate who will manage day-to-day operations of the governmental activity or program, and significantly influence the operations. The governmental unit is dependent upon the elected state officials for fiscal decisions relative to adoption of budgets and funding of deficits.

All functions, programs, and activities that are controlled by or dependent upon the legislative or executive branch of the State of Oregon are included in this report. This includes the State Court system and the Retirement system.

The State Accident Insurance Corporation (SAIF), a public corporation since July 1, 1980, has been included as part of the reporting entity. Activities are included in Enterprise Funds.

Commodity commissions were originally established for the purpose of expanding the markets for specific commodities. The Department of Agriculture, a state agency, has general supervisory authority over the commodity commissions. However, ORS 576.311 exempts the commodity commissions from certain financial administration laws. Therefore, the financial information pertaining to agricultural commodity commissions is not included in this report.

Oregon Mass Transportation Financing Authority was established by the legislature to issue revenue bonds. The bond proceeds are utilized to finance the costs of transit facilities for mass transit districts. The Authority is included as part of the reporting entity. Since bond activities of the Authority are considered no-commitment long-term debt and there is no statutory requirements for reporting or accounting to the State of Oregon, financial transactions are not included in this report.

Since industrial development revenue bonds are also considered no-commitment long-term debt, the financial activities relative to this activity are not included in this report.

b. Basis of Presentation

The accompanying financial statements are prepared in conformity with generally accepted accounting principles (GAAP) applicable to state governments. The principal authority for accounting and reporting requirements in Oregon is the Executive Department through its Administrative Rules and the State Accounting Manual. The Department interprets the guidelines for financial reporting presented by the Governmental Accounting Standards Board, National Council on Governmental Accounting (NCGA) Statements and the AICPA's industry audit guide, "Audits of State and Local Government Units" (ASLGU). Pronouncements of the Financial Accounting Standards Board (FASB) are also considered when applicable.

The Department of Higher Education accounting records are maintained using the generally accepted accounting principles prescribed by the National Association of College and University Business Officers in College and University Business Administration (CUBA, 1974). In order to conform with the financial statement presentation followed by other state agencies, Higher Education's financial data have been restructured and blended into the appropriate fund types.

c. State Accounting Funds

The nine fund types utilized in Oregon's financial report are:

Governmental Funds

(1) The General Fund accounts for ordinary operations financed by legislatively approved appropriations from general revenues and used for general governmental purposes. General Fund appropriation debt service and capital construction projects are reported in the Debt Service Funds or the Capital Project Funds, respectively.

(2) Special Revenue Funds account for the proceeds of specific revenue sources or finance specified activities as required by law or administrative regulations. Special Revenue Funds are established to account for taxes, licenses, and other revenue allocated by law to specific purposes. These revenues are collected by an agency and deposited in the State Treasury in the agency's own cash account. Expenditures are made from the account and are usually charged against a legislatively approved limitation.

A Special Assessment Fund accounts for special assessments levied to finance public improvements or services deemed to benefit the properties against which the assessments are levied. Since only one Special Assessment Fund, Forest Protection, exists in the State of Oregon, this fund has been combined with the Special Revenue Funds.

(3) Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on general obligation bonds. They include debt service provided by General Fund appropriation.

Most Debt Service Funds are essentially "flow-through" vehicles through which current period principal and interest requirements and payments are accounted. Such funds will have minimal (if any) fund balances at year-end.

(4) Capital Project Funds account for financial resources segregated for the construction or acquisition of major capital facilities. They include capital construction and capital improvements financed by General Fund appropriations.

A Capital Projects Fund is established upon project or debt issue authorization by the Legislature. All expenditures necessary to bring the facility in question to a state of readiness for its intended purpose are reported as Capital Project Fund costs. In addition to the direct cost of items such as land, buildings, materials, and labor, total project costs include such related items as engineering and architectural fees, transportation costs, damages occasioned by the project, and other costs associated with the endeavor.

At June 30, partially completed projects are included in the Construction in Process account in the appropriate fund or account group.

Upon completion of a project, the buildings, or other structures are recorded at cost in the General Fixed Asset Account Group or in the appropriate Proprietary Fund or Fiduciary Fund.

Proprietary Funds

(5) Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are primarily paid in the form of charges to the users of such services. Among the many types of self-supporting activities financed through Enterprise Funds are insurance operations, fair operations, and liquor retailing operations. Issuance of revenue bonds to finance the activity is also indicative of the self-supporting nature of an activity that should be accounted for through an Enterprise Fund.

(6) Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local. Activities handled through Internal Service Funds vary widely both as to type and complexity of operation. Among the types are those used to acquire and distribute items of inventory such as office supplies or gasoline; operation of motor pools; duplicating and printing facilities; and repair shops and garages. Other examples are purchasing, accounting, auditing, and data processing services.

Fiduciary Funds

(7) A Trust Fund is established to account for assets received and held by an agency acting in the capacity of trustee or custodian. An Agency Fund is established to account for assets received by an agency in its capacity as an agent for individuals, other funds, or other governmental organizations.

If an agency receives resources in a trust and agency capacity, the agency reports the resources in a trust and agency fund. This includes resources collected for redistribution in other funds in the same agency; to the general fund at the State Treasury; or to other governmental units.

There are three types of Trust Funds: Expendable Trusts, Nonexpendable Trusts, and Pension Trusts.

General Fixed Assets Account Group

(8) The General Fixed Asset Account Group is used to account for fixed assets acquired through governmental funds. Fixed assets acquired through Enterprise, Trust, or Internal Service Funds are not general fixed assets, but are reported in the accounts of the acquiring fund.

General Long-Term Debt Account Group

(9) The General Long-Term Debt Account Group includes all general obligation bonds and long-term liabilities other than the self-supporting bonds and long-term liabilities included in Internal Service, Enterprise and Trust Funds.

General obligation bonds are secured by the full faith and credit of the State and are not deemed to be the obligation of any specific fund.

d. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. "Available" indicates collectible within the current period or soon enough thereafter to pay liabilities of the current period. Taxpayer assessed taxes are considered "measurable" when the revenue is in the hands of intermediary collecting agents. Expenditures are recognized under the modified accrual basis of accounting when the related liability is incurred. An exception to this general rule of expenditure recognition is: Principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

The modified accrual basis of accounting has been utilized for expendable trust funds and agency funds. The pension trust funds and nonexpendable trust funds use the accrual basis of accounting.

e. Budgetary Accounting

Agency budgets are approved by the Legislature biennially. Any increases in the budgets that may be necessary are approved by the Emergency Board during the interim.

During the biennium, the Executive Department approves spending limits for each quarter. Each agency's actual expenditures are monitored daily against approved budgets, quarterly allotments, and cash balances.

Appropriated budgets include expenditure authority created by appropriation bills and related estimated revenues. All funds are subject to legislative approval. Nonappropriated budgets and some nonlimited financial activities are also subject to allotment control by the Executive Department.

Because of the budgetary control requirements placed on all funds, the "Combined Statement of Revenues, Expenditures, and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual" includes all funds. Nonlimited expenditures and revenues are included as other financial sources or uses.

Encumbrances as defined by the State of Oregon are goods or services received by June 30 of each year and paid by September 30. As the definition is closely related to that of payable, no Reserve for Encumbrances was necessary in the fund equity portion of the statements.

A reconciliation between the amounts shown on the "Combined Statement of Revenues, Expenditures and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual" and the "Combined Statement of Operations and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds" and the "Combined Statement of Revenues, Expenditures, and Changes in Fund Equity - All Governmental and Expendable Trust Funds" follows:

RECONCILIATION OF BUDGETARY REVENUE TO
REVENUE REPORTED IN THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1984

(Expressed in Thousands)

Budgetary Revenue - Fiscal Year Ended June 30, 1984 (Page 16)		$4,694,845
Add: Other Financing Sources (Page 16)		2,319,505
Revenue recorded during the year but credited to Prior Biennia (Page 16)		19,484
		$6,933,834
Deduct (Add):		
Proceeds from sale of bonds not included in revenue in Enterprise Fund	$ 219,648	
Gain on Defeasance in Enterprise Fund	(559)	
Loan repayments not included in revenue:		
Enterprise Fund	426,943	
Internal Service Fund	1,214	
Cost of assets sold offset against sales of equipment:		
Enterprise Fund	131	
Internal Service Fund	1,324	
Net deduction because of differences in reporting budgetary revenue and revenue in Proprietary Funds	$ 648,701	
Accounting reclassification from expenditures (Offset in Expenditure Reconciliation)	1,162,650	
Total Deductions		1,811,351
Adjusted Budgetary Revenue		$5,122,483
Revenue per Combined Financial Statements:		
Governmental Funds (Page 10)	$3,150,718	
Proprietary Funds: (Page 11)		
Income	1,928,538	
Other Sources	43,227	
Revenue per Combined Financial Statements		$5,122,483

RECONCILIATION OF BUDGETARY EXPENDITURES TO
EXPENDITURES AND EXPENSES REPORTED IN THE
COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 1984

(Expressed in Thousands)

Budgetary Expenditures - Fiscal Year Ended June 30, 1984 (Page 16)		$3,110,607
Add: Other Financing Sources (Page 16)		3,030,111
Expenditures recorded this year but charged to Prior Biennia (Page 16)		23,496
		$6,164,214
Deduct (Add):		
Loans made but not included in expenditures		
Enterprise Fund	$ 429,471	
Principal payments on long-term debt not included in expenditures		
Enterprise Fund	256,614	
Internal Service Fund	4,860	
Adjustments to inventories and prepaid expenses:		
Enterprise Fund	(1,376)	
Internal Service Fund	1,238	
Fiduciary Fund	112	
Capital outlay not included in expense:		
Enterprise Fund	31,927	
Internal Service Fund	2,621	
Fiduciary Fund	280	
Adjustment Miscellaneous:		
Enterprise Fund	(1,670)	
Depreciation not included in budgetary expenditures	(13,315)	
Net deduction because of differences in reporting budgetary expenditure and expenditures in Proprietary Funds	$ 710,762	
Accounting reclassification from expenditures to Revenue (offset in revenue reconciliation)	1,162,650	
Total Deductions		1,873,412
Adjusted Budgetary Expense		$4,290,802
Expenditures per Combined Financial Statements:		
Governmental Funds (Page 10)	2,952,133	
Proprietary Funds (Page 11)	1,338,669	
Expenditures per Combined Financial Statements		$4,290,802

f. Investments

Investments are stated at cost or amortized cost. It is generally the intention of the State to hold the investments until maturity. Foreclosed property is presented at the appraised value of the property at the date of foreclosure. Market values are stated, if available.

(Expressed in Thousands)

	Cost	Market
Designated investments held by State Treasury (Page 9)	$5,415,567	$5,100,709
Housing Division investments held by banks	100,350	130,219
Foreclosed Property	42,279	-
Other	10,314	-
Total Cost	$5,568,510	

Included in the Designated Investments held by the State Treasury is $36,252 thousand Senior Citizen Property Tax Deferrals. This is money advanced to defer property taxes for the elderly and is a long term, nonmarketable investment of the General Fund.

g. Receivables

Receivables are shown net of any provisions for uncollectible accounts. Receivables included are amounts due representing revenues earned or accrued in the current period. Types of Receivables included in this classification are relative to taxes, interest, amounts due from the federal government, and amounts due resulting from sale of goods or services.

h. Inventories

Inventories are primarily stated at cost utilizing the FIFO (first-in, first-out) costing method. Physical inventories are required to be taken annually. In governmental type funds, the expenditure occurs when the inventory is purchased. In proprietary type funds, the expense occurs when the inventory is used.

In the proprietary funds inventories are usually defined as the cost of goods held for resale. In all other funds, inventories are considered the value of supplies on hand for use in the fund's operations.

i. Fixed Assets

The classes used for reporting fixed assets are:

Land, Buildings and Improvements
Construction in Process
Equipment and Machinery
Leased Property

Fixed assets utilized in proprietary fund activities are reported in the appropriate proprietary fund (Enterprise and Internal Service Funds) because the fixed assets are used in the production of the goods or services provided and sold. Depreciation of these fixed assets is recorded to determine total expenses, net income, and whether the fund's capital has been impaired.

Fixed assets utilized in trust funds are reported in the trust funds. Fixed assets other than those accounted for in the proprietary funds and certain trust funds are general fixed assets. General fixed assets belong to the state government as an instrumentality, and are not accounted for in the governmental funds. They may be acquired by gift or by expenditure from several sources and funds. General fixed assets are reported in the General Fixed Assets Account Group.

Fixed assets are reported at cost or estimated cost if the original cost is not determinable. Donated fixed assets are reported at their estimated fair market value at the time received. Land costs include 1,410,779 acres of forest and other lands valued at one dollar per acre. Leased property is reported at the remaining unamortized value.

Roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are normally immovable and of value only to the governmental unit. These fixed assets, including the statewide highway system, are excluded from this report. Oregon's airports, however, are included in the Land, Buildings and Improvements category.

Fixed assets costing less than $100 are excluded unless an agency has elected to include them in their property records for control purposes.

j. Depreciation and Amortization

The recording of depreciation or amortization of fixed assets of proprietary funds (Enterprise Funds and Internal Service Funds) is required and is included in those funds in this report.

Any generally accepted method of computing depreciation that an agency is required to use to meet requirements of the federal government or other organization for rate determination or cost recovery purposes is acceptable; otherwise, one of the two following methods is required:

Straight-line Depreciation which provides for the distribution of the cost evenly over the life of the buildings or equipment.

Working Hour Method which provides for the distribution of costs over the estimated useful hours or days of a piece of equipment.

Amortization is a systematic reduction of the intangible property value over the life of the property or period of the lease, whichever is shorter. Intangible assets classified as leased property and amortized include leasehold improvements and capital leases where the lease does not provide for a change in ownership. Amortization expense is also reported for computer software.

k. Accounting Changes

In prior years because of legal requirements, transfers and expenditure distributions were not handled consistently in the financial statements. This year in all statements except budgetary statements the transfer and expenditure distribution activity follow the definition requirements as discussed in the NCGA Statements. The June 30, 1983 transfers and expenditures have been restated where appropriate to allow comparison of the two years. There was no effect on fund equity.

Fund changes have occurred this year to correct errors of prior years. The primary changes are in the following areas:

1. Reclassification of appropriate Department of Higher Education activities to the enterprise funds:

   a. from special revenue funds $13,469 thousand.
   b. from debt service funds $23,794 thousand.
   c. from capital project funds $12,462 thousand.
   d. from general fixed assets and long term debt account groups $147,984 thousand.

2. Inclusion of State Accident Insurance Corporation, a public corporation, in the enterprise fund $159,985 thousand.

1. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "memo only" to indicate that they are presented only for use in financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation of funds. Interfund eliminations have not been reflected in these columns.

2. Cash and Pooled Investments

This account represents cash on deposit with the State Treasurer. The State Treasury, acting as a bank, invests the deposited moneys in various cash items, short-term receivables and long-term investments. An analysis of this account and a list of the investments by classification appears in the Supplemental Information section.

3. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	(Expressed in Thousands)		
	Balance 7-1-83	Net Change	Balance 6-30-84
Land, Buildings and Improvements	$ 724,643	$(150,031)	$574,612
Construction in Process	6,892	(2,570)	4,322
Equipment and Machinery	347,371	(17,063)	330,308
Leased Property	765	1,791	2,556
Total	$1,079,671	$(167,873)	$911,798

The decrease in general fixed assets is attributable primarily to the reclassification of fixed assets to the Enterprise Fund in the amount of more than $200 million.

4. Summary of Proprietary Fund Fixed Assets

A summary of proprietary fund fixed assets at June 30, 1984, follows:

	Enterprise	Internal Service
Land, Buildings, and Improvements	$230,021	$ 65,562
Construction in Process	9,797	3,050
Equipment and Machinery	46,140	119,211
Leased Property (net of amortization)	17	2,399
Less: Allowance for Depreciation	(72,885)	(71,973)
Net	$213,090	$118,249

5. Pension Plan for State Employes

Pursuant to Oregon Revised Statutes Chapter 237, after six months trial service with the State of Oregon, all employes must belong to the Oregon Public Employes Retirement System. The Oregon Public Employes Retirement System collects contributions from both employers and employes for the purpose of funding retirement benefits (called "retirement allowances"). The system covers approximately 126,500 State and local government Oregon employes and 41,732 retired employes or their beneficiaries. The system is administered by the Oregon Public Employe Retirement Board.

Employe contributions are used to fund a pension portion of retirement allowances. The pension portion is based on a statutory formula and is set according to employe's final average salary and term of service. The pension portion of the allowance is paid exclusively out of interest and principal accumulations from employer contributions.

The system's pension program is a defined benefit plan, and requires periodic actuarial review. Under ORS 237, this review must be performed at least every four years. The most current actuarial evaluation was conducted as of December 31, 1982.

In 1981, the State went to a formula pension. The method used in the valuation is called the "entry age cost method."

Under the entry age cost method, the normal costs for a member are assumed to be paid from hire to retirement, death or termination of employment. They are also assumed to earn interest as they accumulate as part of the fund. The aggregate of all past normal costs accumulated to the valuation date is called the "supplemental present value".

Benefit improvements, actuarial gains and losses, and changes in actuarial procedures will affect the supplemental present value. The difference is called the unfunded supplemental present value. This amount is often described as the "unfunded liability".

Under this actuarial cost method a large portion of the unfunded supplemental present value is used to meet expected increases in benefits arising from future salary increases Another substantial portion is allocated to pay for the excess of the value of unaccrued benefits over the "normal cost" contributions which will be made to fund them. The unfunded supplemental present value is determined for the purpose of spreading costs in an orderly fashion, and not to determine a liability at any point in time.

The December 31, 1982 actuarial valuation of the system reported that the present value of accrued benefits for all unretired members is fully funded and the present value of projected benefits to be earned in future years by present members is not fully funded. These two segments represent the unfunded supplemental present value which is the amount by which the accumulated entry age costs for all retired members of the System exceed the assets available to meet benefit commitments. In determining present value of the accumulated plan benefits, the actuarial used a 7.5% rate or return.

Investment growth is the prime reason for the actuarial gain which eliminated the prior year actuarial liability for accrued benefits and reduced the total unfunded supplemental present value.

The employer contribution rate adopted by the PERS Board for State agencies became 11.01% January 1, 1982, 11.62% on January 1, 1983, and decreased to 10.59% on January 1, 1984. The employer contribution for the calendar year 1983 was $89,626 thousand.

6. Deferred Compensation

A deferred compensation program was authorized under Internal Revenue Code Section 457 and ORS 243.400 to 243.495. It is a benefit available to all state employes wherein they may execute an individual agreement with the state for amounts earned by them to be paid at a future date. Participants in the program are not required to pay federal and state income taxes on the deferred earnings until it is received. Participants cannot receive the funds until certain circumstances are met. These circumstances are termination by reason of death; disability; resignation; or retirement. Payments may be made over a period not to exceed the life expectancy of the participant and/or spouse.

Moneys accumulated by the State under the deferred compensation program are excluded from resources and disbursements for budgetary purposes. Such amounts represent a general liability of the State to its employes whose rights are equal to but not greater than the rights of other general creditors with respect to such amounts.

Moneys accumulated by the State under its deferred compensation plan have been transferred to the Executive Department for deposit with various financial institutions and insurance companies. These deposits are not subject to the collateral requirements of Oregon Law.

Deferred compensation investments and the related liability are included in pension trust funds.

7. Employe Leave

It is the State's policy to record the cost of employe leave at the time that the leave is paid. State employes earn annual vacation leave ranging from 8 to 16 hours per month with a maximum leave accumulation of 250 hours per employe. The annual leave accumulations do not cause additional costs to the State until the employe terminates -- then the employe is paid for the amount of annual leave that has accrued in his payroll records. Liability for vacation leave accumulations based on current salary costs cannot be reasonably estimated by fund. The total estimated potential liability for all funds is $42,673 thousand.

Sick leave is earned at a rate of 8 hours per month with no limit on the maximum accumulation. The employe is paid when absent due to illness, injury, or a related family problem. Sick leave accumulations only cost the State of Oregon to the extent that amounts are paid to employes even though work is not performed during the period that the employe is absent from work. When the employe terminates, all sick leave accumulations are rescinded. When an employe retires, however, one-half of the value of his unused sick leave is used in computing retirement benefits.

Each employe may also be paid an additional 8 hours per year for any personal occurrences that may cause him to be absent from work. This personal leave cannot accumulate from year to year.

8. Leases

Financial reporting and accounting procedures differ between operating leases and capital leases. Operating leases are rental agreements, and payments are chargeable as rent in the services and supplies expenditure/expense category. Capital leases are treated similar to purchases on contract. The property is capitalized at the present value when the lease is incurred and a corresponding liability is recorded.

The State has entered into various leases for buildings and equipment.

1. Capital leases represent 110,314 square feet at an annual cost of $597,276 and operating leases represent 2,105,922 square feet at an annual cost of $13,590,568.

2. Equipment and machinery rental and lease payment information was not determinable at the time of this report.

If the Oregon Legislature should disallow the necessary funding for particular leases, all lease agreements contain termination clauses which provide for cancellation of the lease at the end of a fiscal year. The liability for capital leases of real property is included in the financial report.

The minimum future lease payments for the next four years are:

	Capital Leases	Operating Leases	Annual Total
Fiscal year ending			
June 30, 1985	$ 596,276	$11,307,826	$11,904,102
June 30, 1986	517,392	8,497,404	9,014,796
June 30, 1987	382,350	6,791,756	7,174,106
June 30, 1988	378,900	4,846,755	5,225,655
Total	$1,874,918	$31,443,741	$33,318,659

Lease obligations decrease each year because of lease expirations. It is expected these leases will be replaced with leases which have higher rental rates due to inflationary pressures.

9. Long-term Debt

STATE OF OREGON
SUMMARY OF CHANGES IN BONDED DEBT
OUTSTANDING

(Expressed in Thousands)

	BONDS OUTSTANDING July 1, 1983	DEBT INCURRED DUR. YEAR	DEBT REDUCED DUR. YEAR	BONDS OUTSTANDING June 30, 1984
General Obligation Bonds				
General Fund Obligations				
Oregon Forest Rehabilitation Bonds	$ 125	$ -	$ 125	$ -
Community College Bonds	36,355	-	1,275	35,080
Higher Education Facilities Bonds	61,960	-	2,265	59,695
Pollution Control Bonds	150,900	-	6,450	144,450
Total General Fund Obligations	$ 249,340	$ -	$ 10,115	$ 239,225
Dedicated Fund Obligations				
Oregon Veterans' Welfare Bonds	$5,260,000	$ -	$192,700	$5,067,300
Higher Education Project Bonds	85,659	5,475	4,298	87,036
Oregon State Highway Bonds	58,600	-	3,300	55,300
Elderly Housing Bonds	87,610	-	205	87,405
Water Resources Bonds	39,641	-	16,756	22,885
Alternate Energy Bonds	22,040	36,495	330	58,205
Total Dedicated Fund Obligations	$5,553,750	$41,970	$217,589	$5,378,131
Total General Obligation Bonds	$5,803,090	$41,970	$227,704	$5,617,356
Revenue Bonds				
Housing Bonds	496,511	688	42,125	454,874
Total Obligation	$6,299,601	$42,658	$270,029	$6,072,230

General Obligation debt of $210,500 thousand has been reflected as a current liability in the financial statements.

One hundred million dollars tax exempt commercial paper and $167 million tax notes of the Department of Veterans' Affairs is included under Notes Payable - current in the Enterprise Funds. These short-term obligations are considered in determining the statutory limits on bonded debt obligations of Oregon.

No-commitment long-term debt refers to revenue bond debt issued to finance public purpose expenditures intended for beneficial ownership by private entities. Such debt bears the name of the State but is secured solely by the credit of the private entity and usually is serviced and administered by a trustee independent of the State.

No-commitment long-term debt issued by the Oregon Mass Transportation Financing Authority $31,470 thousand and the Economic Development Department $169,209 thousand are not included in the financial statements as they are not an obligation of the State of Oregon.

On October 11, 1983, Water Resources $16,115 thousand bond issue was defeased. Securities necessary to retire the bonds were purchased and in the hands of a trustee at that date.

STATE OF OREGON
SUMMARY OF GENERAL OBLIGATION DEBT SERVICE
June 30, 1984

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1984-85	$ 246,528	$ 398,178	$ 644,706
1985-86	247,783	383,228	631,011
1986-87	248,238	367,581	615,819
1987-88	254,434	353,351	607,785
1988-89	246,937	338,912	585,849
1989-90	258,992	325,138	584,130
1990-91	280,386	310,057	590,443
1991-92	277,235	291,305	568,540
1992-93	287,748	273,218	560,966
1993-94	290,599	254,739	545,338
1994-95	296,461	234,012	530,473
1995-96	297,146	212,107	509,253
1996-97	297,708	191,075	488,783
1997-98	287,921	169,508	457,429
1998-99	221,878	149,288	371,166
1999-00	211,724	131,121	342,845
2000-01	180,068	113,943	294,011
2001-02	180,536	98,597	279,133
2002-03	202,571	81,741	284,312
2003-04	150,315	66,701	217,016
2004-05	130,297	54,488	184,785
2005-06	108,105	43,475	151,580
2006-07	106,433	33,585	140,018
2007-08	105,477	23,816	129,293
2008-09	64,491	15,411	79,902
2009-10	15,675	11,441	27,116
2010-11	3,215	10,486	13,701
2011-12	2,650	10,115	12,765
2012-13	69,975	7,132	77,107
2013-14	3,335	4,111	7,446
2014-15	1,770	3,847	5,617
2015-16	1,970	3,670	5,640
2016-17	2,195	3,472	5,667
2017-18	2,440	3,253	5,693
2018-19	2,715	3,008	5,723
2019-20	3,025	2,735	5,760
2020-21	3,370	2,432	5,802
2021-22	11,350	2,093	13,443
2022-23	4,185	1,090	5,275
2023-24	4,655	670	5,325
2024-25	4,820	224	5,044
TOTALS	$5,617,356	$4,984,354	$10,601,710

HOUSING DIVISION
SUMMARY OF REVENUE BOND DEBT SERVICE
JUNE 30, 1984

(Expressed in Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIRED
1984-85	20,605	35,599	56,204
1985-86	21,405	34,348	55,753
1986-87	20,270	33,068	53,338
1987-88	16,745	31,827	48,572
1988-89	16,235	30,734	46,969
1989-90	15,705	29,644	45,349
1990-91	15,545	28,544	44,089
1991-92	14,980	27,437	42,417
1992-93	14,680	26,333	41,013
1993-94	14,215	25,232	39,447
1994-95	14,315	24,113	38,428
1995-96	18,045	22,774	40,819
1996-97	15,210	21,380	36,590
1997-98	15,965	20,084	36,049
1998-99	9,305	19,062	28,367
1999-00	9,490	18,345	27,835
2000-01	9,680	17,604	27,284
2001-02	14,355	16,598	30,953
2002-03	16,965	15,191	32,156
2003-04	17,875	13,588	31,463
2004-05	18,895	11,876	30,771
2005-06	20,010	10,044	30,054
2006-07	17,855	11,657	29,512
2007-08	18,271	10,542	28,813
2008-09	18,353	9,447	27,800
2009-10	20,232	15,609	35,841
2010-11	10,200	14,470	24,670
2011-12	8,267	13,728	21,995
2012-13	6,490	13,099	19,589
2013-14	4,327	12,691	17,018
2014-15	384	12,416	12,800
TOTALS	$454,874	$627,084	$1,081,958

10. Interfund Receivables and Payables

A summary of interfund receivables and payables at June 30, 1984, follows:

(Expressed in Thousands)

	Receivables	Payables
General Fund	$265,936	$41,661
Special Revenue Funds	106,230	73,428
Debt Service Funds	878	5,386
Capital Projects Funds	8	73
Enterprise Funds	16,808	25,216
Internal Service Funds	197	8,083
Trust and Agency Funds	46,410	282,620
Total	$436,467	$436,467

11. Unemployment Benefits

State departments are subject to the Department of Employment Act. State employes who qualify are entitled to benefit payments during periods of unemployment. Each state department is required to reimburse the Employment Division for benefit payments made to their former employes. There appears to be no practical method of estimating the amount of future benefit payments which may be made to former employes for wage credits earned prior to June 30. Consequently, this potential obligation is not included in the accompanying financial statements.

12. Insurance

The Department of General Services administers property and casualty insurance programs for state agencies. The following statewide insurance coverages are provided to all state agencies:

Property Insurance

The Restoration Fund established under ORS 278.020 provides a self insurance program for loss or damage to state property caused by specified perils. A commercial reinsurance policy with limits of $200 million provides financial stability to the fund in the event of catastrophic losses. The reinsurance policy requires a deductible of $10,000 for each and every loss plus an annual aggregate deductible of $3 million (amount of each loss in excess of $10,000 applies) before indemnification is provided.

Liability Insurance

The Liability Fund established under ORS 278.100 provides a self insurance program for Tort liability claims brought against the State, its officers, employes and agents under ORS 30.260 to ORS 30.300. Self insurance coverage is also provided for vehicle liability arising out of the use of owned, leased or controlled vehicles.
ORS 30.270 limits the liability of the State and its officers, employes and agents to:

1. $50,000 to any claimant for any number of claims for damage to or destruction of property, including consequential damages arising out of single accident or occurrence.

2. $100,000 to any claimant for all other claims arising out of a single accident or occurrence.

3. $300,000 for any number of claims arising out of a single accident or occurrence.

A commercial reinsurance policy with limits of $25 million provides financial stability to the Liability Fund. The reinsurance policy applies to all liability claims including those not subject to the liability limits of ORS 30.270. A deductible of $10,000 for each claim plus an annual aggregate deductible of $3 million (amount of loss in excess of $10,000 applies) is required before indemnification is provided.

Blanket Honesty and Faithful Performance Bond

All employes, including elected officials and members of boards and commissions are covered. The current bond provides indemnity limits of $100,000 per employe plus $5 million per occurrence. Additional per employe limits of from $100,000 to $300,000 are provided for the State Treasurer's office, the Director of the Department of Transportation, and employes of the State Fair and Exposition Center.

Various specific insurance policies are purchased when an agency has a particular insurance requirement not covered by the statewide insurance program.

The long-term liabilities of the Internal Service Fund include $9,822 thousand reported insurance claims, unreported (but anticipated) claims, and legal expense relative to the claims. The estimate for unreported claims was determined using historical data of the insurance industry and recommended by a casualty actuary.

13. Agency Fund Activities for the Year

(Expressed in Thousands)

Amount Carried Over From Prior Period		$ 797
Revenue		
Selective Sales and Use Taxes	$207,809	
Gross Receipts Business Taxes	3,481	
Employer-Employe Taxes	44,684	
Severance Taxes	28,077	
Other Taxes	12,843	
Business Licenses and Fees	1,844	
Nonbusiness Licenses and Fees	60,747	
Federal Revenues	89,972	
Charges for Services	3,680	
Fines and Forfeitures	9,088	
Sales Income	4,121	
Donations and Grants (Nonfederal)	354	
Other	4,012	
Transfer-In - Interfund	182,150	652,862
Total Collections and Accruals		$653,659
Transfers and Distributions		
Transfer-Out - Interfund		$249,654
Transfers-Out - Other		3,250
Distributions to Cities		31,074
Distributions to Counties		187,715
Distributions to Nongovernmental Units		178,478
Distributions to Other Governmental Units		3,488
Total Transfers and Distributions		$653,659

14. Segment Information for Enterprise Funds

(Expressed in Thousands)

	COMMERCE	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION	LIQUOR COMMISSION	ENERGY	WATER RESOURCES	ECONOMIC DEVELOPMENT	OTHER
Primary Type of Service	Make Loans	Make Loans	Patient Care	Student Services	Liquor Sales	Make Loans	Make Loans	Insurance	Misc.
Operating Revenue	$ 55,149	$ 378,317	$ 65,270	$162,283	$ 49,108	$ 5,333	$ 2,835	$190,343	$ 8,240
Depreciation and Amortization Expense	$ 6	$ 239	$ 1,767	$ -	$ 203	$ 1	$ 2	$ -	$ 380
Operating Income (Loss)	$ 5,682	$ (26,337)	$(15,925)	$ 2,706	$ 15,162	$ 627	$ 246	$(25,439)	$ 760
Operating Grants, Entitlements	$ 447	$ -	$ -	$ 234	$ -	$ -	$ -	$ -	$ -
Operating Transfers-In (Out)	$ -	$ -	$ 25,438	$ 30,636	$(12,953)	$ -	$ (30)	$ (430)	$ 635
Tax Revenues	$ -	$ -	$ -	$ -	$ 10,595	$ -	$ -	$ -	$ -
Net Income (Loss)	$ 5,682	$ (26,334)	$ 9,505	$ 27,930	$ 2,209	$ 627	$ 216	$(25,869)	$ 1,435
Plant, Property, and Equipment Additions	$ 4	$ 1,976	$ 3,150	$179,403*	$ 397	$ 12	$ -	$ 11,236*	$ 8
Deletions	$ 4	$ (30)	$ -	$ -	$ (96)	$ -	$ -	$ -	$ -
Net Working Capital	$(89,595)	$ (380,394)	$ 10,186	$ 26,327	$ 2,285	$11,112	$(16,046)	$(25,869)	$ 2,432
Total Assets	$608,549	$5,551,425	$ 46,061	$243,476	$ 34,892	$65,797	$ 23,901	$290,962	$20,812
Bonds and Other Long-Term Liabilities Payable from Operations	$547,064	$4,856,919	$ 228	$ 88,108	$ -	$58,205	$ 22,895	$ -	$ 3,607
Total Equity	$ 38,452	$ 75,044	$ 35,597	$146,140	$ 18,059	$ 283	$ 483	$134,116	$16,489

*Prior Period Adjustment

15. Contingent liabilities

A loss contingency is reasonably possible for claims against the Workers' Reemployment and Handicapped Workers reserves estimated at $2,752 thousand and $8,930 thousand, respectively.

Pending litigation as of June 30, 1984, that exceeded $25,000 thousand individually included:

a. Eckles vs State - The suit against the State of Oregon claims that the June 1983 statutory $81,000 thousand transfer of SAIF (State Accident Insurance Corporation) surplus to the State General Fund was illegal.

b. State ex rel Eckles vs Livermore - The second Eckles lawsuit held that SAIF was illegally formed by the legislature as a private corporation and therefore the corporation reverted back to its former status as a state agency. The State of Oregon has appealed the case. The appeal does not affect the first Eckles case but a cross appeal in that suit was filed claiming that SAIF should revert to the status of a private association. It is possible the claim may reach the $81,000 thousand transfer.

c. Penk vs State of Oregon The case alleges discrimination of pay for equal work. The possible liability of the State is $33,000 thousand.

d. Out of State insurance companies filed petitions seeking rulings from the Oregon Insurance Commissioner that they were entitled to refunds on taxes paid on gross insurance premiums for the years between 1970 to 1981. The potential liability is $200,000 thousand. It is likely that remedies, if any, will be limited to prospective relief.

Some of the buildings such as the one occupied by the Employment Division, were either paid for or were leased utilizing, at least in part, federal funds which may create a federal equity in the property. Any federal equities in the State's fixed assets cannot be determined at this time and are not reflected in this report.

16. Subsequent events

The following debt has been incurred since June 30, 1984:

a. July 1984 - $10,300 thousand - General Obligation Alternate Energy Project Bonds,

b. August 1984 - $131,000 thousand - General Obligation Veterans' Welfare Bonds,

c. September 1984 - $11,300 thousand - General Obligation Elderly and Disabled Housing Bonds,

d. October 1984 - $8,750 thousand - General Obligation Alternate Energy Project Bonds.

e. October 1984 - $3,220 thousand - State Board of Higher Education Building Project Bonds,

f. October 1984 - $2,215 thousand - Water Resources Community Water Supply Bonds,

g. October 1984 - $650 thousand - Water Resources Financing Bonds,

h. November 1984 - $170,000 thousand - General Obligation Veterans' Tax Notes.

SUPPLEMENTAL
INFORMATION

General Fund

GENERAL FUND

The General Fund accounts for ordinary operations financed by appropriations from general revenues and used for general governmental purposes.

STATE OF OREGON
COMBINING BALANCE SHEET
GENERAL FUND

(Expressed in Thousands)

	AS OF JUNE 30, 1984	1983
ASSETS		
Cash and Pooled Investments	$(96,690)	$(126,353)
Investments - Treasury	37,412	149
Accounts Receivable	35	19
Interest Receivable	7,535	-
Interfund Receivables	265,936	225,238
Inventories	10,772	9,953
Contracts, Mortgages, and Notes Receivable	4,841	4,101
Prepaid Expenses	-	2
Total Assets	$229,841	$ 113,109
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ 37,824	$ 36,507
Interfund Payables	41,661	16,920
Deferred Income	4,842	4,101
Total Liabilities	$ 84,327	$ 57,528
Fund Equity		
Reserves - Other	$ 37	$ 28
Reserve for Inventories	10,772	9,953
Fund Balance - Unreserved	134,705	45,600
Total Fund Equity	$145,514	$ 55,581
Total Liabilities and Fund Equity	$229,841	$ 113,109

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF REVENUES
GENERAL FUND

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30, 1984	1983
Revenue		
Income Taxes	$1,365,762	$1,319,802
Selective Sales and Use Taxes	53,152	58,657
Gross Receipts Business Taxes	34,125	31,790
Inheritance and Gift Taxes	33,705	35,759
Severance Taxes	1,803	1,800
Other Taxes	401	2,598
Business Licenses and Fees	4,682	4,302
Nonbusiness Licenses and Fees	2,316	1,577
Federal Revenues	107	131
Charges for Services	5,939	4,704
Fines and Forfeitures	18,650	11,034
Rents and Royalties	135	134
Interest Income	29,432	(572)
Sales Income	36,858	43,322
SAIF Assessment	-	81,000
Loan Repayments	-	2,418
Other Revenue	12,752	8,510
Total Revenue	$1,599,819	$1,606,966
Other Financing Sources (Uses)		
Operating Transfers-in	415	4,948
Operating Transfers-out	(665,172)	(717,889)
Net Revenue	$ 935,062	$ 894,025

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF EXPENDITURES
GENERAL FUND

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30, 1984	1983
EXPENDITURES BY BUDGET CATEGORY		
Personal Services	$387,243	$342,681
Services and Supplies	112,252	94,982
Capital Outlay	13,940	7,958
Special Payments	332,522	236,054
Debt Service	-	47
Total Expenditures	$845,957	$681,722
EXPENDITURES BY PROGRAM AREA		
Economic Development and Consumer Services	$ 14,309	$ 11,258
Education	281,632	268,936
Human Resources	375,341	257,004
Natural Resources	19,866	17,246
Public Safety	47,269	38,711
Transportation	4,334	5,710
Administration and Support	36,583	37,515
Legislative	9,574	11,369
Judicial	57,049	33,973
Total Expenditures	$845,957	$681,722

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN GENERAL FUND EQUITY

(Expressed in Thousands)

Fund Equity - June 30, 1983		$ 55,581
Excess of 1983-1984 Expenditures over Revenues		
Revenues	$935,062	
Less Expenditures	845,957	89,105
		$144,686
Changes in Reserves		
Increase in Reserve for Inventories		819
Increase in Reserves - Other		9
Fund Equity - June 30, 1984		$145,514

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Income Taxes	$2,745,513	$1,365,762	$1,379,751
Selective Sales and Use Taxes	105,150	53,153	51,997
Gross Receipts Business Taxes	65,680	34,126	31,554
Inheritance and Gift Taxes	46,120	33,705	12,415
Severance Taxes	-	1,802	(1,802)
Other Taxes	5,173	401	4,772
Business Licenses and Fees	9,739	4,682	5,057
Nonbusiness Licenses and Fees	19,001	2,316	16,685
Federal Revenues	-	106	(106)
Charges for Services	11,073	5,939	5,134
Fines and Forfeitures	29,712	18,650	11,062
Rents and Royalties	-	135	(135)
Interest Income	15,800	29,431	(13,631)
Sales Income	80,752	36,857	43,895
Other Revenue	37,583	12,752	24,831
Total Revenue	$3,171,296	$1,599,817	$1,571,479
Expenditures			
Personal Services	$ 810,172	$ 386,245	$ 423,927
Services and Supplies	239,022	112,155	126,867
Capital Outlay	21,894	13,965	7,929
Special Payments	2,049,420	982,222	1,067,198
Total Expenditures	$3,120,508	$1,494,587	$1,625,921
Excess (Deficiency) of Revenues over Budgeted Expenditures	$ 50,788	$ 105,230	$ (54,442)
Other Financing Sources (Uses)			
Operating Transfers-in - Interfund	-	415	(415)
Operating Transfers-out - Interfund	(29,054)	(10,326)	(18,728)
Excess (Deficiency) of Revenues over Expenditures and Other Uses	$ 21,734	$ 95,319	$ (73,585)
Fund Equity, July 1, 1983		55,581	
Adjustments recorded during the year, but charged to prior biennia:			
Revenue		(443)	
Expenditures		(5,771)	
Increase (Decrease) in Reserves			
Inventories		819	
Other		9	
Fund Equity, June 30, 1984		$ 145,514	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulations.

STATE OF OREGON
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	ECON. DEV. & CONSUMER SERVICES	EDUCATION	HUMAN RESOURCES	NATURAL RESOURCES
ASSETS				
Cash on Hand and in Banks	$ 3	$ 1	$ 9	$ 3
Cash and Pooled Investments	27,779	25,687	27,858	40,053
Investments - State Treasury	48,022	12,202	2,811	-
Investments - Other	-	23	-	-
Securities Held in Trust	-	-	-	151
Advances Receivable	162	-	21	24
Interest Receivable	943	305	14	10
Accounts Receivable	2,060	24,156	36,329	9,649
Interfund Receivables	1,981	5,706	41,090	3,816
Inventories	1,054	1,548	904	5,566
Prepaid Expenses	14	261	17	515
Contracts, Notes, and Mortgages Receivable	320	25,183	7,013	181,818
Total Assets	$82,338	$95,072	$116,066	$241,605
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts and Interest Payable	$12,751	$23,148	$ 29,208	$ 14,057
Interfund Payables	1,041	140	63,357	3,956
Trust Funds Payable	-	1,343	25	194
Notes Payable - Short Term	5,610	-	-	-
Deferred Income	1,728	26,307	8,355	184,631
Total Liabilities	$21,130	$50,938	$100,945	$202,838
Fund Equity				
Reserve for Inventories	$ 1,054	$ 1,548	$ 904	$ 5,566
Reserve for Revolving Accounts	192	8	219	125
Reserves - Other	14	53	17	13
Fund Balance - Unreserved	59,948	42,525	13,981	33,063
Total Fund Equity	$61,208	$44,134	$ 15,121	$ 38,767
Total Liabilities and Fund Equity	$82,338	$95,072	$116,066	$241,605

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

PUBLIC SAFETY	TRANSPORTATION	ADMINI. & SUPPORT SERVICES	LEGISLATIVE	JUDICIAL	AS OF JUNE 30, 1984	1983
$ 6	$ 35	$ (5)	$ -	$ 11	$ 63	$ 85
3,230	100,512	3,360	1,650	(18,744)	211,385	180,099
-	-	-	-	-	63,035	58,901
-	-	-	-	-	23	21
-	-	-	-	-	151	232
20	8	-	-	-	235	394
-	1,008	-	-	-	2,280	1,354
244	12,458	5,753	191	20	90,860	102,677
686	34,190	2	-	18,759	106,230	59,449
39	9,014	48	112	1	18,286	22,151
-	-	-	-	-	807	3,045
-	10,156	-	-	-	224,490	218,913
$4,225	$167,381	$9,158	$1,953	$ 47	$717,845	$647,321
$1,162	$ 31,137	$2,835	$ 55	$ -	$114,353	$133,640
64	4,278	572	-	20	73,428	39,530
1	361	-	1	-	1,925	2,553
-	-	-	-	-	5,610	-
4	10,263	2,814	-	-	234,102	240,337
$1,231	$ 46,039	$6,221	$ 56	$ 20	$429,418	$416,060
$ 39	$ 9,014	$ 48	$ 112	$ 1	$ 18,286	$ 22,151
87	875	-	-	-	1,506	1,497
-	-	-	-	-	97	239
2,868	111,453	2,889	1,785	26	268,538	207,374
$2,994	$121,342	$2,937	$1,897	$ 27	$288,427	$231,261
$4,225	$167,381	$9,158	$1,953	$ 47	$717,845	$647,321

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY
SPECIAL REVENUE FUNDS

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION	HUMAN RESOURCES
Revenue			
Selective Sales and Use Taxes	$ 33	$ -	$ -
Gross Receipts Business Taxes	4,409	-	-
Employer - Employe Taxes	88,587	-	7,450
Business Licenses and Fees	16,787	626	3,069
Nonbusiness Licenses and Fees	38	-	1,952
Federal Revenues	19,630	187,624	425,334
Charges for Services	4,640	110,059	18,995
Fines and Forfeitures	435	285	509
Rents and Royalties	8	408	251
Interest Income	5,771	4,650	307
Sales Income (Net)	2,108	843	4,471
Donations and Grants (Nonfederal)	2	34,564	50
Other Revenue	978	18,674	4,282
Total Revenue	$143,426	$357,733	$466,670
Other Financing Sources (Uses)			
Bond Sales	$ -	$ -	$ -
Operating Transfers-in - Interfund	22,919	467,434	452,492
Operating Transfers-out - Interfund	(9,277)	(43,340)	(365,040)
Loan Repayments	-	733	-
Loan Proceeds	-	-	19
Total Other Financing Sources (Uses)	$ 13,642	$424,827	$ 87,471
Total Revenue and Other Financing Sources (Uses)	$157,068	$782,560	$554,141
Expenditures			
Personal Services	$ 45,774	$167,275	$110,169
Services and Supplies	79,778	61,971	37,312
Capital Outlay	826	12,538	1,821
Special Payments	27,948	533,834	400,622
Debt Service	-	53	-
Nonlimited	-	-	4
Total Expenditures	$154,326	$775,671	$549,928
Excess Revenue Over Expenditures	$ 2,742	$ (6,889)	$ 4,213
Fund Equity - Beginning	58,521	39,988	11,011
Increase (Decrease) in Reserves			
Inventories	(50)	(2,743)	54
Revolving Accounts	(3)	-	(10)
Other	(2)	-	(142)
Prior Period Adjustments	-	-	(5)
Fund Equity - Ending	$ 61,208	$ 44,134	$ 15,121

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMIN. & SUPPORT SERVICES	LEGISLATIVE	JUDICIAL	FISCAL YEAR ENDED JUNE 30, 1984	1983
$ -	$ -	$201,179	$ -	$ -	$-	$ 201,212	$ -
-	-	-	-	-	-	4,409	4,064
-	-	-	-	-	-	96,037	103,736
1,833	207	254	38	-	-	22,814	19,125
21,131	-	62,643	999	-	-	86,763	27,027
23,343	2,128	159,710	30,530	4	-	848,303	846,373
11,930	5,598	51,961	607	40	(1)	203,829	244,183
171	183	-	-	2	-	1,585	15,716
-	375	1,941	1	529	-	3,513	1,211
168	12	12,202	-	-	-	23,110	18,736
24,348	228	2,179	254	1,006	-	35,437	30,895
2	15	-	2	1	20	34,656	33,675
1,966	142	342	1	13	1	26,399	20,784
$84,892	$ 8,888	$492,411	$32,432	$1,595	$ 20	$1,588,067	$1,365,525
$ (27)	$ -	$ -	$ -	$ -	$-	$ (27)	$ 27,500
14,103	5,886	(12,617)	(3,831)	25	156	946,567	1,343,823
(7,031)	(1,830)	(2,491)	(1,239)	-	(156)	(430,404)	(343,349)
49	-	-	-	-	-	782	919
-	-	-	-	-	19	177	-
$ 7,094	$ 4,056	$(14,969)	$(5,070)	$ 25	$ 19	$ 517,095	$1,028,893
$91,986	$12,944	$477,442	$27,362	$1,620	$ 39	$2,105,162	$2,394,418
$37,736	$ 6,768	$103,853	$ 3,106	$ 195	$-	$ 474,876	$ 518,712
25,998	3,460	260,273	2,204	1,156	71	472,223	537,173
1,314	165	1,184	461	(1)	-	18,308	16,071
21,864	1,322	77,017	20,689	-	-	1,083,296	916,120
34	1	16	-	-	-	104	361
-	-	-	-	-	-	4	468,617
$86,946	$11,716	442,343	$26,460	$1,350	$ 71	$2,048,811	$2,457,054
$ 5,040	$ 1,228	$ 35,099	$ 902	$ 270	$ (32)	$ 56,351	$ (62,636)
34,015	1,803	81,549	2,043	1,642	689	231,261	286,947
(237)	(63)	(334)	(3)	(15)	(474)	(3,865)	6,764
-	-	25	(5)	-	-	7	80
2	-	-	-	-	-	(142)	90
(53)	26	5,003	-	-	(156)	4,815	16
$38,767	$ 2,994	$121,342	$ 2,937	$1,897	$ 27	$ 288,427	$ 231,261

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Selective Sales and Use Taxes	$ -	$ 23	$ (23)
Gross Receipts Business Taxes	8,983	4,409	4,574
Employer-Employe Taxes	76,694	50,152	26,542
Business Licenses and Fees	47,932	22,761	25,171
Nonbusiness Licenses and Fees	51,963	27,869	24,094
Federal Revenue	1,688,499	735,320	953,179
Charge for Services	290,317	167,340	122,977
Fines and Forfeitures	1,528	1,399	129
Rents and Royalties	4,233	3,119	1,114
Interest Income	9,542	14,400	(4,858)
Sales Income (Net)	77,066	32,890	44,176
Donations and Grants (Nonfederal)	11,606	5,644	5,962
Other Revenue	55,676	38,236	17,440
Total Revenue	$2,324,039	$1,103,562	$1,220,477
Expenditures			
Personal Services	$ 880,146	$ 410,934	$ 469,212
Services and Supplies	965,790	380,242	585,548
Capital Outlay	24,654	11,610	13,044
Special Payments	844,225	410,294	433,931
Debt Service	-	27	(27)
Total Expenditures	$2,714,815	$1,213,107	$1,501,708
Excess (Deficiency) of Revenues Over Budgeted Expenses	$ (390,776)	$ (109,545)	$ (281,231)
Other Financing Sources (Uses)			
Nonlimited Expenditures	$ -	$ (961,897)	$ 961,897
Nonlimited Revenue	-	924,011	(924,011)
Operating Transfers-in	902,728	468,794	433,934
Operating Transfers-out	(79,820)	(168,846)	89,026
Transfers to Counties and Cities	(301,007)	(87,052)	(213,955)
Bond Sales	75,535	-	75,535
Loan Repayments	-	49	(49)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 206,660	$ 65,514	$ 141,146
Fund Equity, July 1, 1983		231,261	
Transactions Recorded During the Year But Charged to Prior Biennia			
Revenue		(4,932)	
Expenditures		(4,231)	
Increase (Decrease) in Reserves			
Long Term Liabilities		-	
Inventories		(3,865)	
Revolving Accounts		7	
Other		(142)	
Prior Period Adjustments		4,815	
Fund Equity, June 30, 1984		$ 288,427	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for and the payment of interest and principal on long-term debt other than special assessment and revenue bonds.

STATE OF OREGON
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS

(Expressed in Thousands)

	CUSTODIAL STATE TREASURY	COMMUNITY COLLEGE & ED. CENTER
ASSETS		
Cash and Pooled Investments	$ 40	$284
Cash with Fiscal Agent	3,030	-
Investments - State Treasury	-	-
Accounts Receivable	-	-
Interest Receivable	-	1
Interfund Receivable	-	-
Total Assets	$3,070	$285
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ -	$283
Interfund Payable	-	-
Matured Bonds Payable	3,070	-
Deferred Income	-	-
Total Liabilities	$3,070	$283
Fund Equity		
Fund Balance - Unreserved	$ -	$ 2
Total Fund Equity	$ -	$ 2
Total Liabilities and Fund Equity	$3,070	$285

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

BOND ISSUE				AS OF JUNE 30,	
OREGON FOREST REHAB.	OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	HIGHER EDUCATION FACILITIES	1984	1983
$ -	$19,706	$ -	$480	$20,510	$21,785
-	-	-	-	3,030	2,744
-	10,005	-	-	10,005	36,853
-	-	-	-	-	36
-	2,636	-	-	2,637	3,188
-	-	878	-	878	107
$ -	$32,347	$ 878	$480	$37,060	$64,713
$ -	$ -	$ 1,861	$-	$ 2,144	$ 2,166
-	-	5,386	-	5,386	5,386
-	-	-	-	3,070	2,908
-	-	-	9	9	169
$ -	$ -	$ 7,247	$ 9	$10,609	$10,629
$ -	$32,347	$(6,369)	$471	$26,451	$54,084
$ -	$32,347	$(6,369)	$471	$26,451	$54,084
$ -	$32,347	$ 878	$480	$37,060	$64,713

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
DEBT SERVICE FUNDS

(Expressed in Thousands)

	COMMUNITY COLLEGE & ED. CENTER	OREGON FOREST REHAB.
Revenue		
Selective Sales and Use Taxes	$ -	$-
Federal Revenues	-	-
Charges for Services	-	-
Rents and Royalties	-	-
Interest Income	5	8
Other Income	-	-
Total Revenue	$ 5	$ 8
Other Financing Sources (Uses)		
Operating Transfers-in - Interfund	$ -	-
Transfers from General Fund	3,218	66
Operating Transfers-out - Interfund	-	-
Loan Repayments	-	-
Total Other Financing Sources (Uses)	$3,218	$ 66
Net Revenue	$3,223	$ 74
Expenditures		
Services and Supplies	$ -	$-
Special Payments	-	-
Debt Service		
Principal	1,275	125
Interest	1,950	5
Other	-	-
Total Expenditures	$3,225	$130
Excess Revenue Over Expenditures	$ (2)	$(56)
Fund Equity - Beginning	4	56
Prior Period Adjustment	-	-
Fund Equity - Ending	$ 2	$-

Prepared without audit - see Letter of Transmittal for comments.

The notes to the financial statements are an integral part of this report.

BOND ISSUE			FISCAL YEAR ENDING JUNE 30,	
OREGON POLLUTION CONTROL	OREGON STATE HIGHWAY	HIGHER EDUCATION	1984	1983
$ -	$ 1,854	$ -	$ 1,854	$ 2,360
-	-	-	-	205
-	-	184	184	2,288
-	-	-	-	20
10,795	-	(183)	10,625	15,352
-	-	-	-	1,346
$10,795	$ 1,854	$ 1	$ 12,663	$ 21,571
$ 1,500	$(1,655)	$ 5,839	$ 5,684	$ 17,966
-	-	-	3,284	3,099
(44)	5,386	(4,609)	733	(16,064)
3,414	-	-	3,414	3,014
$ 4,870	$ 3,731	$ 1,230)	$ 13,115	$ 8,015
$15,665	$ 5,585	$ (1,231)	$ 25,778	$ 29,586
$ 8	$ -	$ (3)	$ 5	$ 73
	(1,861)	-	(1,861)	1,861
6,450	3,300	2,265	13,415	12,898
9,653	3,374	3,084	18,066	22,241
(8)	$ -	-	(8)	$ (96)
$16,103	$ 4,813	$ 5,346	$ 29,617	$ 36,977
$ (438)	$ 772	$(4,115)	$(3,839)	$ (7,391)
32,785	(7,141)	28,380	54,084	61,475
-	-	(23,794)	(23,794)	-
$32,347	$(6,369)	$ 471	$ 26,451	$ 54,084

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
DEBT SERVICE FUND

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Selective Sales and Use Taxes	$ 2,803	$ 1,413	$ 1,390
Total Revenue	$ 2,803	$ 1,413	$ 1,390
Expenditure			
Debt Service	$ 39,849	$ 13,522	$ 26,327
Total Expenditures	$ 39,849	$ 13,522	$ 26,327
Excess (Deficiency) of Revenues Over Budgeted Expenditures	$(37,046)	$(12,109)	$(24,937)
Other Financing Sources (Uses)			
Nonlimited Expenditures	$ -	$(17,959)	$ 17,959
Nonlimited Revenues	-	14,368	(14,368)
Operating Transfers-in - Interfund	37,709	12,356	25,353
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 663	$ (3,344)	$ 4,007
Fund Equity, July 1, 1983		54,084	
Adjustments Recorded During the Year But Charged to Prior Biennia			
Revenue		(498)	
Expenditures		3	
Prior Period Adjustment		(23,794)	
Fund Equity, June 30, 1984		$ 26,451	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

CAPITAL PROJECTS FUNDS

Capital Projects Funds account for financial resources segregated for the acquisition or construction of major capital facilities other than those financed by Proprietary, Special Assessment, and Trust Funds.

STATE OF OREGON
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUND

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION
ASSETS		
Cash and Pooled Investments	$ -	$6,855
Investments - State Treasury	-	-
Investments - Other	-	246
Receivables	-	283
Interfund Receivables	-	-
Total Assets	$ -	$7,384
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	$ -	$1,825
Interfund Payable	-	7
Total Liabilities	$ -	$1,832
Fund Equity		
Fund Balance - Unreserved	$ -	$5,552
Total Fund Equity	$ -	$5,552
Total Liabilities and Fund Equity	$ -	$7,384

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The notes to the financial statements are an integral part of this report.

HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT SERVICES	LEGISLATIVE	AS OF JUNE 30, 1984	1983
$(120)	$ -	$ 27	$(2)	$4,159	$ -	$10,919	$10,853
-	-	-	-	-	-	-	15,548
-	-	-	-	-	-	246	171
-	590	181	4	-	-	1,058	566
-	8	-	-	-	-	8	764
$(120)	$598	$208	$2	$4,159	$ -	$12,231	$27,902
$ 323	$603	$ -	$ -	$ 32	$ 24	$ 2,807	$ 1,661
-	66	-	-	-	-	73	65
$ 323	$669	$ -	$ -	$ 32	$ 24	$ 2,880	$ 1,726
$(443)	$(71)	$208	$ 2	$4,127	$(24)	$ 9,351	$26,176
$(443)	$(71)	$208	$ 2	$4,127	$(24)	$ 9,351	$26,176
$(120)	$598	$208	$ 2	$4,159	$ -	$12,231	$27,902

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND EQUITY
CAPITAL PROJECTS FUNDS

(Expressed in Thousands)

	ECONOMIC DEV. & CONSUMER SERV.	EDUCATION
Revenue		
Nonbusiness Licenses & Fees	$-	$ -
Federal Revenues	-	441
Charges for Services	-	189
Rents and Royalties	-	-
Interest Income	-	904
Sales Income	-	-
Donations and Grants (Nonfederal)	-	2,852
Other Revenue	-	2,539
Total Revenue	$-	$ 6,925
Expenditures		
Personal Services	$-	$ 29
Services and Supplies	(1)	2,313
Capital Outlay	4	13,705
Debt Service	-	44
Total Expenditures	$ 3	$ 16,091
Excess Revenue Over Expenditures	$(3)	$ (9,166)
Other Financing Sources (Uses)		
Operating Transfers-in	$-	$ 11,557
Operating Transfers-out	3	(6,939)
Loan Proceeds	-	-
Total Other Financing Sources	$ 3	$ 4,618
Excess Revenue and Other Financing Sources Over Expenditures	$-	$ (4,548)
Fund Equity - Beginning	-	22,562
Prior Period Adjustment	-	(12,462)
Fund Equity - Ending	$-	$ 5,552

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The notes to the financial statements are an integral part of this report.

HUMAN RESOURCES	NATURAL RESOURCES	PUBLIC SAFETY	TRANSPORTATION	ADMINISTRATION & SUPPORT SERVICES	LEGISLATIVE	AS OF JUNE 30, 1984	1983
$ -	$ 220	$ -	$ 4	$ -	$ -	$ 224	$ -
-	-	-	48	(2)	-	487	(430)
-	-	-	-	14	-	203	-
-	-	-	1	-	-	1	1,524
-	-	-	-	-	-	904	1,266
-	-	18	-	-	-	18	-
-	-	-	-	-	-	2,852	976
-	-	-	-	100	-	2,639	2,014
$ -	$ 220	$ 18	$53	$ 112	$ -	$ 7,328	$ 5,350
$ 77	$ 33	$ -	$ -	$ (12)	$ -	$ 127	$ 144
30	(488)	-	6	2,487	-	4,347	11,574
3,086	3,821	45	49	539	-	21,249	15,268
-	-	-	-	-	-	44	-
$ 3,193	$3,366	$ 45	55	$ 3,014	$ -	$ 25,767	$ 26,986
$(3,193)	$(3,146)	$(27)	$(2)	$(2,902)	$ -	$(18,439)	$(21,636)
$ 3,228	$ 3,860	$ -	$ -	$ 3,921	$ -	$ 22,566	$ 21,932
(248)	(784)	-	-	(472)	(24)	(8,464)	(8,979)
-	-	-	-	(26)	-	(26)	-
$ 2,980	$ 3,076	$ -	$ -	$ 3,423	$(24)	$ 14,076	$ 12,953
$ (213)	$ (70)	$(27)	$(2)	$ 521	$(24)	$ (4,363)	$ (8,683
(230)	(1)	235	4	3,606	-	26,176	34,859
-	-	-	-	-	-	(12,462)	-
$ (443)	$ (71)	$208	$ 2	$ 4,127	$(24)	$ 9,351	$ 26,176

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
CAPITAL PROJECTS FUNDS

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Nonbusiness Licenses and Fees	$ 117	$ 4	$ 113
Federal Revenue	25,995	280	25,715
Charges for Services	24,143	4	24,139
Rents and Royalties	-	1	(1)
Interest Income	-	2	(2)
Sales Income	272	198	74
Donations and Grants	510	2,354	(1,844)
Other Revenue	130	139	(9)
Total Revenue	$ 51,167	$ 2,982	$ 48,185
Expenditures			
Personal Services	$ -	$ 115	$ (115)
Services and Supplies	7,398	1,495	5,903
Capital Outlay	90,183	12,270	77,913
Debt Service	-	42	(42)
Total Expenditures	$ 97,581	$ 13,922	$ 83,659
Excess (Deficiency) of Revenues Over Budgeted Expenditures)	$(46,414)	$(10,940)	$(35,474)
Other Financing Sources (Uses)			
Nonlimited Expenditures	-	(5,445)	5,445
Nonlimited Revenues	-	693	(693)
Operating Transfers-in - Interfund	44,233	16,052	28,181
Operating Transfers-Out - Interfund	(472)	(873)	401
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ (2,653)	$ (513)	$ (2,140)
Fund Equity, July 1, 1983		26,176	
Transactions Recorded During the Year But Charged to Prior Biennia			
Revenue		2,550	
Expenditures		(6,400)	
Prior Period Adjustment		(12,462)	
Fund Equity, June 30, 1984		$ 9,351	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

ENTERPRISE FUNDS

Enterprise Funds account for the provision of goods and services to the general public where all or most of the costs involved are paid in the form of charges by the users of such services.

Oregon Enterprise Fund activities are provided primarily by the eight state agencies described below:

Department of Commerce, Housing Division Their major activity is the sale of revenue bonds to make residential mortgage loans available to lower income residents of Oregon.

Department of Veteran's Affairs They provide farm and home loans and other services to war veterans of Oregon.

Department of Human Resources, Mental Health Division They operate four hospitals which provide care and training for the mentally ill, developmentally disabled and mentally retarded.

Higher Education Activities include providing students with residence halls, parking, bookstores, dining halls and student centers. A hospital is also included.

Liquor Commission Activities include regulation, control, and sale of all alcoholic liquor and certain wines.

Department of Energy They provide small scale energy loans for development of renewable resource energy projects.

Water Resources Department They provide loans to residents of the State for construction of water development
projects for irrigation, drainage and municipal use.

State Accident Insurance Corporation. They provide insurance coverage and other services.

STATE OF OREGON
COMBINING BALANCE SHEET
ENTERPRISE FUNDS

(Expressed in Thousands)

ASSETS	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Current Assets				
Cash on Hand and in Banks	$ 8,428	$ -	$ 9	$ 12,472
Cash and Pooled Investments	20,144	80,933	10,626	(5,701)
Investments - State Treasury	41,366	386,408	-	45,353
Investments - Other	103,987	38,642	-	26
Advances Receivable	-	160	20	-
Interest Receivable	6,051	44,160	-	1,037
Accounts Receivable	-	13	7,954	19,099
Interfund Receivable	374	-	2,722	1,419
Inventories	4	76	1,646	3,809
Prepaid Expenses	-	-	1	211
Discount on Bonds Sold	9,502	7,924	-	-
Total Current Assets	$189,856	$ 558,316	$ 22,978	$ 77,725
Fixed Assets				
Land, Buildings and Improvements	$ -	$ -	$ 45,965	$163,480
Leasehold Improvements (Net)	-	117	-	-
Construction in Process	-	7,196	1,059	1,518
Equipment and Machinery	68	1,691	8,718	29,603
Less Allowance for Depreciation	(23)	(1,001)	(33,659)	(29,509)
Total Fixed Assets	$ 45	$ 8,003	$ 22,083	$165,092
Other Assets				
Contracts, Mortgages, and Mortgages Receivable	$418,648	$4,985,106	$ -	$ 659
Total Assets	$608,549	$5,551,425	$ 45,061	$243,476
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts Payable	$ 52	$ 6,748	$ 7,072	$ 4,797
Interest Payable	22,263	115,407	-	-
Interfunds Payable	374	-	2,164	1,385
Trust Funds Payable	320	944	-	841
Matured Bonds Payable	-	-	-	-
Bonds Payable - Current	-	210,500	-	-
Notes Payable	-	267,000	-	-
Premium on Bonds Sold	24	18,863	-	-
Deferred Income	-	-	-	2,205
Total Current Liabilities	$ 23,033	$ 619,462	$ 9,236	$ 9,228
Long-Term Liabilities				
Contract, Mortgages, and Notes Payable	$ 4,785	$ 119	$ 228	$ 1,072
General Obligation Bonds Payable	87,405	4,856,800	-	87,036
Revenue Bonds Payable	454,874	-	-	-
Trust Funds Payable	-	-	-	-
Total Long-Term Liabilities	$547,064	$4,856,919	$ 228	$ 88,108
Total Liabilities	$570,097	$5,476,381	$ 9,464	$ 97,336
Fund Equity				
Retained Earnings - Unreserved	$ 38,452	$ 75,044	$ 35,597	$146,140
Total Fund Equity	$ 38,452	$ 75,044	$ 35,597	$146,140
Total Liabilities and Fund Equity	$608,549	$5,551,425	$ 45,061	$243,476

Prepared without audit - see letter of transmittal for comments.
The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	STATE ACC. INSURANCE	OTHER ENTERPRISE	AS OF JUNE 30, 1984	1983
$ 229	$ -	$ -	$ -	$ 2	$ 21,140	$ 453
16,111	1,902	6,289	5,659	4,062	140,025	159,294
-	20,665	-	741,828	-	1,235,620	401,780
-	-	655	3,424	-	146,734	237,268
23	-	-	-	2	205	222
-	605	-	13,537	-	65,390	44,496
78	315	142	104,967	799	133,367	10,508
-	-	-	12,293	-	16,808	397
16,319	-	-	-	3,432	25,286	21,287
1	-	-	372	-	585	187
-	1,064	-	-	-	18,490	18,434
$32,761	$24,551	$ 7,086	$882,080	$ 8,297	$1,803,650	$ 894,326
$ 2,206	$ -	-	$ 8,623	$ 9,747	$ 230,021	$ 55,639
-	-	-	-	-	117	8
-	-	-	-	24	9,797	5,910
1,874	15	18	2,613	1,540	46,140	12,865
(1,949)	(1)	(7)	(2,354)	(4,382)	(72,885)	(38,588)
$ 2,131	$ 14	$ 11	$ 8,882	$ 6,929	$ 213,190	$ 35,834
$ -	$41,232	$16,804	$ -	$ 5,586	$5,468,035	$5,439,539
$34,892	$65,797	$23,901	$890,962	$20,812	$7,484,875	$6,369,699
$ 8,646	$ 7,103	$ 19	$ 4,671	$ 427	$ 39,535	$ 125,148
-	-	290	-	-	137,960	106,002
7,725	-	-	13,564	4	25,216	4,020
-	-	-	12,526	49	14,680	2,698
-	-	-	-	-	-	30
-	-	-	-	-	210,500	-
-	-	-	-	-	267,000	-
-	-	-	-	-	18,887	20,729
462	206	224	-	236	3,333	3,051
$16,833	$ 7,309	$ 533	$ 30,761	$ 716	$ 717,111	$ 261,678
$ -	$ -	$ -	$ -	$ 3,607	$ 9,811	$ 8,827
-	58,205	22,885	-	-	5,112,331	5,495,150
-	-	-	-	-	454,874	496,522
-	-	-	726,085	-	$ 726,085	-
$ -	$58,205	$22,885	$726,085	$ 3,607	$6,303,101	$6,000,488
$16,833	$65,514	$23,418	$756,846	$ 4,323	$7,020,212	$6,262,166
$18,059	$ 283	$ 483	$134,116	$16,489	$ 464,663	$ 107,533
$18,059	$ 283	$ 483	$134,163	$16,489	$ 464,663	$ 107,533
$34,892	$65,797	$23,901	$890,962	$20,812	$7,484,875	$6,369,699

STATE OF OREGON
COMBINING STATEMENT OF OPERATION
AND CHANGES IN FUND EQUITY
ENTERPRISE FUNDS

(Expressed in Thousands)

	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Sales Income	$ -	$ -	$ 266	$ -
Cost of Goods Sold				
Inventory - Beginning	$ -	$ -	$ -	$ -
Purchases	-	-	48	-
Inventory - Ending	-	-	-	-
Cost of Goods Sold	$ -	$ -	$ 48	$ -
Gross Profit on Sales	$ -	$ -	$ 218	$ -
Other Income				
Selective Sales Tax	$ -	$ -	$ -	$ -
Business Licenses and Fees	-	430	-	-
Nonbusiness Licenses	-	-	-	-
Federal Revenue	447	-	-	234
Charges for Services	1,005	3,093	96,989	150,285
Fines and Forfeitures	24	-	-	44
Rents and Royalties	-	80	156	18
Interest Income	53,459	393,275	210	6,098
Donations and Grants (Nonfederal)	-	-	1	758
Other Revenue	214	100	31	4,946
Loss on Foreclosed Property (Net)	-	(18,661)	-	-
Gain on Defeasance	-	-	-	-
Fees Waived	-	-	(32,335)	-
Total Income	$55,149	$378,317	$ 65,270	$162,383
Operating Expenses				
Personal Services	$ 882	$ 13,081	$ 67,389	$ 94,411
Services and Supplies	2,394	11,871	12,039	63,854
Special Payments	279	448	-	1,324
Interest Expense	45,906	379,015	-	5,500
Depreciation	6	239	1,767	-
Total Expenses	$49,467	$404,654	$ 81,195	$165,089
Net Operating Income (Loss)	$ 5,682	$(26,337)	$ (15,925)	$ (2,706)
Operating Transfers-in	-	3	150,836	30,636
Operating Transfers out	-	-	(125,406)	-
Net Income	$ 5,682	$(26,334)	$ 9,505	$ 27,930
Fund Equity - Beginning	32,770	101,378	23,890	(79,499)
Prior Period Adjustment	-	-	2,202	197,709
Fund Equity - Ending	$38,452	$ 75,044	$ 35,597	$146,140

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	STATE ACC. INSURANCE	OTHER ENTERPRISE	AS OF JUNE 30, 1984	1983
$111,818	$ -	$ -	$ -	$ 4,371	$ 116,455	$ 113,471
$ 14,557	$ -	$ -	-	-	$ 14,557	$ 15,489
77,003	-	-	-	-	77,051	76,447
(16,319	-	$ -	-	-	(16,319)	(14,622)
$ 75,241	$ -	$ -	$ -	$ -	$ 75,289	$ 77,314
$ 36,577	$ -	$ -	$ -	$ 4,371	$ 41,166	$ 36,157
$ 10,595	$ -	$ -	$ -	$ -	$ 10,595	$ 12,324
1,795	36	1	-	5	2,267	1,191
-	-	-	-	-	-	388
-	-	-	-	-	681	769
21	3	-	147,926	1,723	401,045	126,645
86	-	-	-	-	154	41
-	-	-	-	987	1,241	1,004
-	5,291	2,275	48,220	941	509,769	400,767
-	-	-	-	-	759	335
34	3	-	(5,803)	213	(262)	49,390
-	-	-	-	-	(18,661)	(15,075)
-	-	559	-	-	559	-
-	-	-	-	-	(32,335)	-
$ 49,108	$ 5,333	$2,835	$190,343	$ 8,240	$ 916,978	$ 613,936
$ 6,491	$ 276	$ 210	$ 21,296	$ 3,167	$ 207,203	$ 110,928
10,927	258	102	16,686	3,852	121,983	64,281
16,325	-	-	177,800	61	196,237	22,050
-	4,171	2,275	-	-	436,867	424,319
203	1	2	-	380	2,598	3,030
$ 33,946	$ 4,706	$2,589	$215,782	$ 7,460	$ 964,888	$ 624,608
$ 15,162	$ 627	$ 246	$(25,439)	$ 780	$ (47,910)	$ (10,672)
14	8,009	-	-	755	190,253	187,659
(12,967)	(8,009)	(30)	(430)	(100)	(146,942)	(193,216)
$ 2,209	$ 627	$ 216	$(25,869)	$ 1,435	$ (4,599)	$ (16,229)
15,658	(344)	267	-	13,413	107,533	212,340
192	-	-	159,985	1,641	361,729	(88,578)
$ 18,059	$ 283	$ 483	$134,116	$16,489	$ 464,663	$ 107,533

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS

(Expressed in Thousands)

	COMMERCE HOUSING	VETERANS' AFFAIRS	STATE HOSPITALS	HIGHER EDUCATION
Sources of Working Capital				
Operations:				
Net Income (Loss)	$ 5,682	$ (26,334)	$ 9,505	$ 27,930
Add Depreciation Not Requiring Expenditure of Funds	6	239	1,767	-
Total Provided by Operations	$ 5,688	$ (26,095)	$11,272	$ 27,930
Loan Proceeds	-	-	-	-
Lease Purchase Contracts	-	-	-	-
Sale of Equipment	-	30	-	-
Sale of Bonds	678	-	-	5,475
Loan Repayments	17,774	317,233	-	-
Other Miscellaneous	-	-	-	-
Loan Reductions - Forclosures	-	89,516	-	-
Increase in Loss Reserves	-	-	-	-
Total Provided	$ 24,140	$ 380,684	$11,272	$ 33,405
Uses of Working Capital				
Bonds Reclassified as Current Liabilities	$ -	$ 210,500	$ -	$ -
Retirement of Bonds	42,530	192,700	-	4,298
Loans Made	71,177	356,040	-	201
Construction of Buildings	-	1,314	672	-
Purchase of Property and Equipment	4	524	333	2,149
Payment on Other Long-Term Debt	-	-	81	-
Other Miscellaneous	24	-	-	430
Decrease in Unearned Premium Reserve	-	-	-	-
Total Applied	$ 113,735	$ 761,078	$ 1,086	$ 7,078
Net Increase (Decrease) in Working Capital	$(89,595)	$(380,394)	$10,186	$ 26,327
Elements of Net Increase (Decrease) in Working Capital				
Cash	$ 12,376	$ (3,192)	$ 6,120	$(11,660)
Investments	(103,030)	38,448	-	21,553
Receivables	(585)	4,699	3,402	20,507
Inventories	1	(15)	(4)	1,434
Prepaid Expenses	-	-	(2)	30
Payables	1,808	(421,720)	670	(5,099)
Trust Funds Payable	-	-	-	(5)
Deferred Income	-	-	-	(433)
Premium and Discounts on Bonds	(165)	1,386	-	-
Net Increase (Decrease) in Working Capital	$ (89,595)	$(380,394)	$10,186	$ 26,327

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

LIQUOR COMMISSION	ENERGY	WATER RESOURCES	STATE ACC. INSURANCE	OTHER ENTERPRISE	FISCAL YEAR ENDED JUNE 30, 1984	1983
$ 2,209	$ 627	$ 216	$(25,869)	$1,435	$ (4,599)	$ (16,229)
203	1	2	-	380	2,598	3,030
$ 2,412	$ 628	$ 218	$(25,869)	$1,815	$ (2,001)	$ (13,199)
-	-	-	-	-	-	-
-	-	-	-	-	-	309
96	-	-	-	5	131	50
-	36,495	-	-	-	42,648	492,986
-	298	953	-	1,169	337,427	355,678
-	-	-	-	1,132	1,132	2,626
-	-	-	-	-	89,516	-
-	-	-	61,032	-	61,032	-
$ 2,506	$37,421	$ 1,171	$ 35,163	$4,121	$ 529,885	$ 838,450
$ -	$ -	$ -	$ -	$ -	$ 210,500	$ -
-	330	16,756	-	-	256,614	176,828
-	-	461	-	1,592	429,471	345,512
-	25,967	-	-	-	27,953	6,159
223	12	-	-	129	3,374	1,782
-	-	-	-	-	81	109
-	-	-	1,097	-	1,551	28
-	-	-	15,733	-	15,733	-
$ 223	$26,309	$ 17,217	$ 16,830	$1,721	$ 945,277	$ 530,418
$ 2,285	$11,112	$(16,046)	$ 18,333	$2,400	$(415,392)	$ 308,032
$(4,272)	$ (776)	$(16,329)	$(29,812)	$1,019	$ (46,526)	$115,171
-	17,285	-	(18,594)	-	(44,338)	369,266
30	631	(4)	29,653	669	59,002	7,867
1,762	-	-	-	822	4,000	1,984
(2)	-	-	(8,128)	-	(8,102)	(128)
4,779	(6,867)	283	-	(106)	(426,252)	34,772
-	-	-	45,214	-	45,209	4,218
(12)	163	4	-	(4)	(282)	(832)
-	676	-	-	-	1,897	6,056
$2,285	$11,112	$(16,046)	$ 18,333	$2,400	$(415,392)	$ 308,032

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ENTERPRISE FUND

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Selective Sales and Use Taxes	$ 25,743	$ 10,595	$ 15,148
Business Licenses and Fees	1,280	1,831	(551)
Nonbusiness Licenses and Fees	1,320	-	1,320
Charge for Services	197,041	145,838	51,203
Fines and Forfeitures	-	85	(85)
Rents and Royalties	1,680	1,143	537
Interest Income	6,023	4,924	1,099
Sales Income (Net)	153,502	38,473	115,029
Donations and Grants (Nonfederal)			
Other Revenue	4,905	380	4,525
Total Revenue	$391,494	$ 203,269	$ 188,225
Expenditures			
Personal Services	$325,955	$ 159,415	$ 166,540
Services and Supplies	124,893	61,456	63,437
Capital Outlay	7,089	3,288	3,801
Special Payments	10,104	2,210	7,894
Debt Service	6,500	19,339	(12,839)
Total Expenditures	$474,541	$ 245,708	$ 228,833
Excess (Deficiency) of Revenues Over Budgeted Expenses	(83,047)	(42,439)	(40,608)
Other Financing Sources (Uses)			
Nonlimited Expenditures	$ -	$(1,479,033)	$1,479,033
Nonlimited Revenue	-	1,436,019	(1,436,019)
Operating Transfers-in	172,293	94,063	78,230
Operating Transfers-out	(101,221)	(76,473)	(24,748)
Transfers to Counties and Cities	(35,170)	(16,324)	(18,846)
Loan Repayments	1,391	1,345	46
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$(45,754)	$ (82,842)	$ 37,088
Fund Equity, July 1, 1983		107,533	
Transactions Recorded During the Year But Charged to Prior Biennia			
Revenue		12,457	
Expenditures		(3,036)	
Increase (Decrease) in Reserves			
Inventories			
Revolving Accounts			
Other		221,055	
Depreciation and Amortization		(2,598)	
Prior Period Adjustments		212,094	
Fund Equity, June 30, 1984		$ 464,663	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods and services provided by an agency on a cost-reimbursement basis to any other governmental unit, whether state, federal, or local.

The Oregon activities reported in Internal Service Funds vary widely both as to type and complexity of operations. Most of the centralized services are provided by five agencies. These agencies and the services they provide or goods they sell are described below. Their operations as well as other major service operations of the State are reflected in the financial statements that follow:

Higher Education Services include printing, duplicating, data processing, and motor pool.

Executive Department Services include accounting, collective bargaining, personnel, and data processing.

Department of General Services Services include purchasing, printing, mail, motor pool, leasing and insurance.

Department of Justice Services include legal and research.

Penitentiary Industries Manufacture and sale of furniture, machinery, and equipment.

STATE OF OREGON
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

ASSETS	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Current Assets			
Cash on Hand and in Banks	$ -	$ -	$ 85
Cash and Pooled Investments	1,733	2,840	11,808
Investments - State Treasury	-	-	25,511
Advances Receivable	-	747	3
Interest Receivable	-	-	727
Accounts Receivable	-	1,647	6,114
Interfunds Receivable	-	-	-
Inventories	1,845	90	1,272
Prepaid Expenses	-	5	328
Total Current Assets	$ 3,578	$ 5,329	$ 45,848
Fixed Assets			
Land, Buildings, and Improvements	$ -	$ -	$ 60,696
Leased Property (Net)	-	655	1,524
Construction in Process	-	-	3,050
Equipment and Machinery	21,704	8,712	13,707
Less: Allowance for Depreciation	-	(3,938)	$(25,260)
Total Fixed Assets	$21,704	$ 5,429	$ 53,717
Total Assets	$25,282	$10,758	$ 99,565
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts Payable	$ -	$ 890	$ 3,315
Interfunds Payable	-	200	11
Trust Funds Payable	-	26	53
Deferred Income	-	-	-
Total Current Liabilities	$ -	$ 1,116	$ 3,379
Long-Term Liabilities			
Lease Purchase Contract Payable	$ -	$ 3,624	$ -
Obligations Under Capital Lease	-	-	1,877
Contracts, Mortgages, and Notes Payable	-	-	22,512
Total Long-Term Liabilities	$ -	$ 3,624	$ 24,389
Total Liabilities	$ -	$ 4,740	$ 27,768
Fund Equity			
Contributed Capital	$ -	$ -	$ 37,152
Retained Earnings - Unreserved	25,282	6,018	34,645
Total Fund Equity	$25,282	$ 6,018	$ 71,797
Total Liabilities and Fund Equity	$25,282	$10,758	$ 99,565

Prepared without audit - see letter of transmittal for comments.
The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	AS OF JUNE 30, 1984	1983
$ -	$ -	$ -	$ -	$ -	$ 85	$ 79
2,282	154	1,982	-	3,285	24,084	23,921
-	-	-	-	-	25,511	25,850
11	-	-	-	-	761	9
-	-	-	-	-	727	651
1,559	328	1,678	-	544	11,870	9,703
20	-	-	24	153	197	365
-	739	117	5,598	367	10,028	8,885
-	-	-	-	20	353	45
$ 3,872	$ 1,221	$ 3,777	$ 5,622	$ 4,369	$ 73,616	$ 69,508
$ -	$ 989	$ -	$ 3,877	$ -	$ 65,562	$ 63,767
-	-	220	-	-	2,399	2,152
-	-	-	-	-	3,050	1,403
1,670	1,583	12,864	49,119	9,852	119,211	97,123
(1,321)	(1,273)	(6,061)	(29,695)	(4,425)	(71,973)	(70,833)
$ 349	$ 1,299	$ 7,023	$ 23,301	$ 5,427	$118,249	$ 93,612
$ 4,221	$ 2,520	$10,800	$ 28,923	$ 9,796	$191,865	$163,120
$ 1,532	$ 771	$ 696	$ 1,104	$ 663	$ 8,971	$ 11,806
-	-	351	7,521	-	8,083	5,177
-	-	-	-	-	79	112
-	- 3	-	-	-	3	64
$ 1,532	$ 774	$ 1,047	$ 8,625	$ 663	$ 17,136	$ 17,159
$ 14	$ 3	$ 2,230	$ -	$ 311	$ 6,182	$ 6,732
-	-	-	-	-	1,877	1,509
-	790	-	-	-	23,302	24,174
$ 14	$ 793	$ 2,230	$ -	$ 311	$ 31,361	$ 32,415
$ 1,546	$ 1,567	$ 3,277	$ 8,625	$ 974	$ 48,497	$ 49,574
$ -	$ -	$ -	$ 21,621	$ -	$ 58,773	$ -
2,675	953	7,523	(1,323)	8,822	84,595	113,546
$ 2,675	$ 953	$ 7,523	$ 20,298	$ 8,822	$143,368	113,546
$ 4,221	$ 2,520	$10,800	$ 28,923	$ 9,796	$191,865	$163,120

STATE OF OREGON
COMBINING STATEMENT OF OPERATIONS
AND CHANGES IN FUND EQUITY
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Sales Income	$ -	$ -	$17,371
Cost of Goods Sold			
Inventory - Beginning	$ -	$ -	$ 1,294
Purchases	-	-	14,473
Inventory - Ending	-	-	(1,271)
Cost of Goods Sold	$ -	$ -	$14,496
Gross Profit on Sales	$ -	$ -	$ 2,875
Other Income			
Licenses and Fees	-	-	47
Federal Revenue	-	-	-
Charges for Services	29,014	12,199	22,754
Rents and Royalties	-	668	11,723
Interest Income	-	-	3,484
Donations and Grants (Nonfederal)	2	-	-
Other Revenue	154	13	1,254
Gain (Loss) on Sale of Equipment	-	(314)	(498)
Total Income	$29,170	$12,566	$41,639
Operating Expenses			
Personal Services	$11,594	$ 5,823	$10,891
Services and Supplies	16,822	4,516	22,717
Interest Expense	68	-	432
Depreciation and Amortization	256	824	3,060
Total Operating Expenses	$28,740	$11,163	$37,100
Net Income (Loss) From Operations	$ 430	$ 1,403	$ 4,539
Operating Transfers-in	-	8	-
Operating Tranfers-out	(1,014)	(135)	(1,911)
Net Income (Loss)	$ (584)	$ 1,276	$ 2,628
Fund Equity - Beginning	2,317	4,383	63,674
Contributed From (To) Other Funds	21,704	359	1,345
Prior Period Adjustments	1,845	-	4,150
Fund Equity - Ending	$25,282	$ 6,018	$71,797

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	FISCAL YEAR ENDED JUNE 30, 1984	1983
$ -	$2,674	$ -	$ -	$ -	$ 20,045	$ 18,091
$ -	$ 887	$ -	$ -	$ -	$ 2,181	$ 2,705
-	657	-	-	-	15,130	13,941
-	(739)	-	-	-	(2,010)	(2,181)
$ -	$ 805	$ -	$ -	$ -	$ 15,301	$ 14,465
$ -	$1,869	$ -	$ -	$ -	$ 4,744	$ 3,626
16	-	-	-	191	254	31
-	-	-	-	-	-	27
17,270	-	11,315	44,344	6,661	143,557	132,634
4	-	-	(24)	-	12,371	10,235
-	-	-	-	47	3,531	3,585
(8)	-	-	-	-	(6)	18
(20)	55	3	6	2,002	3,467	1,176
8	-	(38)	129	(12)	(725)	(577)
$17,270	$1,924	$11,280	$44,455	$8,889	$167,193	$150,755
$13,072	$1,612	$ 4,109	$ 7,153	$5,706	$ 59,960	$ 54,730
3,419	970	3,376	32,316	2,894	87,030	83,314
-	-	-	-	-	500	1,031
148	117	1,960	3,444	891	10,700	14,638
$16,639	$2,699	$ 9,445	$42,913	$9,491	$158,190	$153,713
$ 631	$ (775)	$ 1,835	$ 1,542	$ (602)	$ 9,003	$ (2,958)
-	1	-	-	78	87	513
(17)	-	(51)	-	(1)	(3,129)	(12,999)
$ 614	$ (774)	$ 1,784	$ 1,542	$ (525)	$ 5,961	$(15,444)
2,066	1,727	5,751	24,803	8,825	113,546	138,827
(5)	-	(12)	-	292	23,683	-
-	-	-	(6,047)	230	178	(9,837)
$ 2,675	$ 953	$ 7,523	$20,298	$8,822	$143,368	$113,546

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS

(Expressed in Thousands)

	HIGHER EDUCATION FACILITIES	EXECUTIVE DEPARTMENT SERVICES	DEPARTMENT OF GENERAL SERVICES
Sources of Working Capital			
Operations:			
Net Income (Loss)	$ (584)	$1,276	$2,628
Add Depreciation/Amortization not Requiring Expenditure of Funds	256	824	3,060
Total Provided by Operations	$ (328)	$2,100	$5,688
Disposal of Property and Equipment	-	916	-
Loans Received	-	2,797	-
Contributed From Another Fund	1,845	359	1,345
Total Provided	$1,517	$6,172	$7,033
Uses of Working Capital			
Purchase of Property and Equipment	$ 256	$3,525	$1,030
Payment on Lease Purchase Contracts	-	1,007	1,942
Property Acquired From Another Fund	-	-	1,345
Purchase Capital Lease/Leasehold	-	-	-
Total Applied	$ 256	$4,532	$4,317
Net Increase (Decrease) in Working Capital	$1,261	$1,640	$2,716
Elements of Net Increase (Decrease) in Working Capital:			
Cash	$ (584)	$1,049	$ (725)
Investments	-	-	(339)
Receivables	-	801	1,599
Inventories	1,845	(9)	(23)
Prepaid Expenses	-	5	287
Payables	-	(206)	1,910
Deferred Income	-	-	7
Net Increase (Decrease) in Working Capital	$1,261	$1,640	$2,716

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

JUSTICE DEPARTMENT SERVICES	PEN. INDUSTRIES SALES	OTHER DATA PROC. SERVICES	OTHER MOTOR POOLS	MISC. INTERNAL SERVICES	FISCAL YEAR ENDED JUNE 30, 1984	1983
$614	$(774)	$1,784	$ 1,542	$ (525)	$ 5,961	$(15,444)
148	117	1,960	3,444	891	10,700	14,638
$762	$(657)	$3,744	$ 4,986	$ 366	$16,661	$ (806)
-	-	42	49	317	1,324	1,425
14	790	253	-	-	3,854	11,531
-	-	-	-	-	3,549	-
$776	$ 133	$4,039	$ 5,035	$ 683	$25,388	$ 12,150
$195	$ 86	$ 920	$ 3,056	$ 956	$10,024	$ 10,717
-	14	1,764	-	133	4,860	2,915
-	-	-	5,026	-	6,371	3,475
-	-	-	-	-	-	1,864
$195	$ 100	$2,684	$ 8,082	$1,089	$21,255	$ 18,971
$581	$ 33	$1,355	$(3,047)	$ (406)	$ 4,133	$ (6,821)
$552	$ 79	$ 453	$ -	$ (655)	$ 169	$ 3,246
-	-	-	-	-	(339)	(154)
221	(218)	339	(53)	137	2,826	2,415
-	(147)	27	(517)	(33)	1,143	(195)
-	-	-	-	17	309	-
(192)	265	536	(2,477)	128	(36)	(12,069)
-	54	-	-	-	61	$ (64)
$581	$ 33	$1,355	$(3,047)	$ (406)	$ 4,133	$ (6,821)

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
INTERNAL SERVICE FUND

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Business Licenses and Fees	$ 70	$ 79	$ (9)
Nonbusiness Licenses and Fees	26	29	(3)
Charge for Services	239,371	139,180	100,191
Fines and Forfeitures	12	10	2
Rents and Royalties	23,293	12,418	10,875
Interest Income	92	3,493	(3,401)
Sales Income (Net)	44,056	21,028	23,028
Donations and Grants (Nonfederal)	10	2	8
Other Revenue	402	3,859	(3,457)
Total Revenue	$307,332	$180,098	$127,234
Expenditures			
Personal Services	$102,959	$ 54,949	$ 43,010
Services and Supplies	143,501	100,789	42,712
Capital Outlay	12,089	8,462	3,627
Debt Service	-	2,885	(2,885)
Total Expenditures	$258,549	$172,085	$ 86,464
Excess (Deficiency) of Revenues Over Budgeted Expenses	$ 48,783	$ 8,013	$ 40,770
Other Financing Sources (Uses)			
Operating Transfers-in	$ 20,286	$ 60,467	$(40,181)
Operating Transfers-out	(21,886)	(63,224)	(41,338)
Loan Repayments	80	703	(623)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$ 47,263	$ 5,959	$ 41,304
Fund Equity, July 1, 1983		113,546	
Transactions Recorded During the Year But Charged to Prior Biennia			
Revenue		4,223	
Expenditures		3,021	
Increase (Decrease) in Reserves			
Other		3,458	
Depreciation and Amortization		(10,700)	
Prior Period Adjustments		23,861	
Fund Equity, June 30, 1984		$143,368	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

TRUST AND AGENCY FUNDS

Trust and Agency Funds account for resources received and held by a governmental unit as trustee or agent for individuals, private organizations, and other governmental units to be expended or invested in accordance with the conditions of the trust or agency agreement.

Fiduciary Fund financial information is shown as follows:

Pension Trust Funds

1. Public Employe's Retirement System - includes retirement moneys of the State of Oregon and other municipalities electing to participate in that system.

2. Deferred Compensation - includes that portion of salaries elected to be deferred by state employes.

Nonexpendable Trust Funds

1. Higher Education Trust - primarily gifts and grants restricted to provide loans to students. Also included are deposits held for safekeeping and moneys treated as endowments.

2. State Lands Trust - represents the state owned land and other assets held and operated for the benefit of public schools. Lands include approximately 800,000 acres of off-shore lands, 600,000 acres of grazing lands and 132,000 acres of timber producing lands.

Expendable Trust Funds

1. Higher Education Trust includes various small trusts expendable for educational activities as designated in the trust agreements.

2. Employment Trusts represent funds held by the Employment Division for future payment of unemployment benefits.

3. Other Trusts - composed of funds held by various state agencies.

Agency Funds - Includes moneys held by state agencies for redistribution to other funds, state agencies, or municipalities. This includes funds held and invested for local governments by the State Treasurer.

STATE OF OREGON
COMBINING BALANCE SHEET
FIDUCIARY FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS	
	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS
ASSETS				
Cash on Hand and in Banks	$ -	$31,271	$ -	$ 1
Cash and Pooled Investments	86,475	-	2,195	14,429
Investments - State Treasury	3,905,080	-	21,362	117,504
Investments - Other	100	-	1,078	4,749
Securities Held in Trust	-	-	-	1,068
Receivables	43,752	-	1,962	496
Interfunds Receivables	-	-	-	-
Interest Receivable	50,482	-	485	3,166
Inventories	55	-	-	13
Contracts, Notes, and Mortgages Receivable	-	-	-	-
Land, Buildings, and Improvements	-	-	-	865
Equipment	309	-	-	236
Less Allowance for Depreciation	(163)	-	-	-
To be Provided for Payment of L-T Liabilities	-	-	-	-
Total Assets	$4,086,090	$31,271	$27,082	$142,527
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts Payable	$ 35,024	$ -	$ -	$ 126
Due to Other Governments	36,919	-	-	10,037
Interfunds Payable	-	-	-	482
Notes Payable - Short-term	23,843	-	-	-
Trust Funds Payable	-	-	1,116	11,898
Deferred Income	-	-	-	35
Lease Purchase Contract Payable	-	-	-	2
Total Liabilities	$ 95,786	$ -	$ 1,116	$ 22,580
Fund Equity				
Reserve for Inventories	$ -	$ -	$ -	$ -
Reserves - Other	-	-	-	-
Invested in Fixed Assets	-	-	-	-
Reserve for Trust Funds	3,990,304	31,271	25,966	119,947
Fund Balance - Unreserved	-	-	-	-
Total Fund Equity	$3,990,304	$31,271	$25,966	$119,947
Total Liabilities and Fund Equity	$4,086,090	$31,271	$27,082	$142,527

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

EXPENDABLE TRUSTS					
HIGHER EDUCATION	EMPLOYMENT	OTHER	AGENCY FUNDS	AS OF JUNE 30, 1984	1983
$ -	$ -	$ 1,416	$ 3	$ 32,691	$ 1,253
1,780	150,039	20,827	584,375	860,120	760,292
-	-	38	-	4,043,984	3,449,201
13	-	-	-	5,940	701,151
-	66	12,395	591,251	604,780	623,498
430	81,914	10,038	42,524	181,116	205,531
-	1,044	42,160	3,206	46,410	24,105
-	-	114	-	54,247	-
-	-	-	-	68	87
60,657	14,447	63,508	58,745	197,357	200,816
-	-	1,432	-	2,297	1,848
-	-	347	-	892	662
-	-	-	-	(163)	(182)
-	-	-	-	-	190
$62,880	$247,510	$152,275	$1,280,104	$6,029,739	$5,968,452
$ 3	$ 816	$ 4,601	$ 313	$ 40,883	$ 28,394
-	-	24	24,415	71,395	66,606
-	2,460	32,314	247,364	282,620	239,327
-	-	-	-	23,843	-
287	122	42,643	948,541	1,004,607	1,722,884
60,658	14,447	63,322	59,471	197,933	142,704
-	-	-	-	2	184
$60,948	$ 17,845	$142,904	$1,280,104	$1,621,283	$2,200,109
$ -	$ -	$ -	$ -	$ -	$ 26
-	-	-	-	-	11
-	-	111	-	111	1,342
-	-	-	-	4,167,488	3,873,797
1,932	229,665	9,260	-	240,857	(106,833)
$ 1,932	$229,665	$ 9,371	$ -	$4,408,456	$3,768,343
$62,880	$247,510	$152,275	$1,280,104	$6,029,739	$5,968,452

STATE OF OREGON
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND EQUITY
EXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	HIGHER EDUCATION	EMPLOYMENT	OTHER	FISCAL YEAR ENDED JUNE 30, 1984	1983
Revenue					
Employer - Employe Taxes	$ -	$ 264,310	$ -	$ 264,310	$ 231,817
Other Taxes	-	-	881	881	441
Nonbusiness Licenses and Fees	-	-	71	71	72
Federal Revenues	1,051	67,650	(13,217)	55,484	102,627
Charges for Services	-	-	-	-	(674)
Interest Income	1,037	13,005	312	14,354	17,448
Sales Income	-	-	6,671	6,671	4,524
Donations and Grants (Nonfederal)	5	-	502	507	164
Other Revenue	115	73	9,049	9,237	2,618
Total Revenue	$2,208	$ 345,038	$ 4,269	$ 351,515	$ 359,037
Other Financing Sources (Uses)					
Loan Repayments	$5,454	$ -	$ -	$ 5,454	$ 72
Operating Transfers-in	-	-	5,092	5,092	206,010
Operating Transfers-out	(80)	(287,767)	(10,902)	(298,749)	(502,709)
Total Other Financing Sources (Uses)	$5,374	$(287,767)	$ (5,810)	$(288,203)	$(296,627)
Total Revenue and Other Financing Sources (Uses)	$7,582	$ 57,271	$ (1,541)	$ 63,312	$ 62,410
Expenditures					
Personal Services	$ -	$ -	$ 1,682	$ 1,682	$ 1,568
Services and Supplies	143	-	3,753	3,896	1,921
Capital Outlay	-	-	41	41	30
Special Payments	7,723	-	(11,361)	(3,638)	163,615
Nonlimited	-	-	-	-	3,211
Total Expenditures	$7,866	$ -	$ (5,885)	$ 1,981	$ 170,345
Excess Revenue Over Expenditures	$ (284)	$ 57,271	$ 4,344	$ 61,331	$(107,935)
Fund Equity - Beginning	-	172,394	6,929	179,323	287,062
Decrease in Reserve for Inventories	-	-	(26)	(26)	1
Decrease in Investment in Fixed Assets	-	-	(1,231)	(1,231)	-
Increase in Other Reserves	-	-	179	179	(50)
Prior Period Adjustment	2,216	-	(824)	1,392	245
Fund Equity Ending	$1,932	$ 229,665	$ 9,371	$ 240,968	$ 179,323

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND EQUITY
PENSION TRUST AND NONEXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS		FISCAL YEAR ENDED JUNE 30,	
	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS	1984	1983
Operating Revenues						
Contributions	$ 381,650	$ 9,671	$ -	$ -	$ 391,321	$ 382,698
Interest Income	429,018	3,538	525	13,010	$ 446,091	473,425
Total	$ 810,668	$13,209	$ 525	$ 13,010	$ 837,412	$ 856,123
Other Income						
Nonbusiness Licenses	-	-	-	46	46	45
Federal Revenue	-	-	10	-	10	385
Charges for Services	-	(4)	-	98	94	84
Rents and Royalties	-	-	2	1,563	1,565	1,470
Donations and Grants (Nonfederal)	-	-	956	10	966	779
Other Revenue	-	-	622	2,927	3,549	4,846
Gain (Loss) on Sale of Equipment	(18)	-	-	201	183	(57)
Total Income	$ 810,650	$13,205	$ 2,115	$ 17,855	$ 843,825	$ 863,675
Operating Expenses						
Personal Services	$ 1,653	$ -	$ -	$ 1,013	$ 2,666	$ 2,575
Services and Supplies	1,010	-	64	729	1,803	1,640
Depreciation	17	-	-	-	17	30
Benefit Payments	195,298	1,770	-	-	197,068	185,342
Distributions to Governments	-	-	-	14,037	14,037	-
Total Expenses	$ 197,978	$ 1,770	$ 64	$ 15,779	$ 215,591	$ 189,587
Net Operating Income (Loss)	$ 612,672	$11,435	$ 2,051	$ 2,076	$ 628,234	$ 674,088
Operating Transfers-in	386	-	290	7,128	7,804	5,375
Operating Transfers-out	(339)	-	(9)	(3,906)	(4,254)	(3,892)
Net Income	$ 612,719	$11,435	$ 2,332	$ 5,298	$ 631,784	$ 675,571
Fund Equity - Beginning	3,370,511	19,836	84,024	114,649	3,589,020	2,569,031
Increased Valuation of Investments	7,074	-	-	-	7,074	326,282
Contributed From (To) Another Fund	-	-	(60,390)	-	(60,390)	18,136
Fund Equity - Ending	$3,990,304	$31,271	$ 25,966	$119,947	$4,167,488	$3,589,020

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
COMBINING STATEMENT OF CHANGES IN
FINANCIAL POSITION
PENSION TRUST AND NONEXPENDABLE TRUST FUNDS

(Expressed in Thousands)

	PENSION TRUSTS		NONEXPENDABLE TRUSTS		FISCAL YEAR ENDED JUNE 30,	
	PUB. EMPL. RETIREMENT SYSTEM	DEFERRED COMPENSATION	HIGHER EDUCATION	STATE LANDS	1984	1983
Sources of Working Capital						
Operations:						
Net Income (Loss)	$612,719	$11,435	$2,332	$ 5,298	$631,784	$ 675,571
Add Depreciation Not Requiring Expenditure of Funds	17	-	-	-	17	30
Total Provided by Operations	$612,736	$11,435	$2,332	$ 5,298	$631,801	$ 675,601
Disposal of Equipment	-	-	-	-	-	92
Loans Repaid	-	-	-	-	-	5,441
Increased Valuation of Investments	7,074	-	-	-	7,074	326,279
Prior Period Adjustment to Working Capital	-	-	-	-	-	21,675
Total Provided	$619,810	$11,435	$2,332	$ 5,298	$638,875	$1,029,088
Uses of Working Capital						
Purchase of Equipment	$ 101	$ -	$ -	$ 179	$ 280	$ 123
Loans Made	-	-	-	-	-	7,314
Total Applied	$ 101	$ -	-	179	$ 280	$ 7,437
Net Increase (Decrease) in Working Capital	$619,709	$11,435	$2,332	$ 5,119	$638,595	$1,021,651
Elements of Net Increase (Decrease) in Working Capital						
Cash	$ 55,636	$ -	$ 499	$ 3,834	$ 59,969	$ (15,561)
Investments	590,197	11,435	1,148	4,920	607,700	1,021,535
Receivables	10,613	-	643	64	11,320	32,949
Inventories	22	-	-	1	23	11
Payables	(36,759)	-	41	(3,665)	(40,383)	(17,284)
Deferred Income	-	-	1	(35)	(34)	1
Net Increase (Decrease) in Working Capital	$619,709	$11,435	$2,332	$ 5,119	$638,595	$1,021,651

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

STATE OF OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
TRUST AND AGENCY FUNDS

(Expressed in Thousands)

	1983-85 BUDGET	1ST YEAR ACTUAL	BALANCE 2ND YEAR
Revenue			
Selective Sales and Use Taxes	$ 331,975	$ 206,966	$ 125,009
Gross Receipts Business Taxes	7,679	3,480	4,199
Employer-Employe Taxes	84,000	44,683	39,317
Severance Taxes	91,500	28,076	63,424
Other Taxes	14,585	13,724	861
Business Licenses and Fees	362	199	163
Nonbusiness Licenses and Fees	114,150	60,865	53,285
Federal Revenue	7,274	2,317	4,957
Charge for Services	5,233	2,191	3,042
Rents and Royalties	4,759	1,563	3,196
Interest Income	385,691	443,802	(58,111)
Sales Income (Net)	40,856	10,983	29,873
Donations and Grants (Nonfederal)	803	470	333
Contributions	1,965,739	720,416	1,245,323
Other Revenue	28,202	3,725	24,477
Total Revenue	$3,082,808	$1,543,460	$1,539,348
Expenditures			
Personal Services	$ 9,694	$ 4,328	$ 5,366
Services and Supplies	9,723	3,672	6,051
Capital Outlay	288	212	76
Special Payments	20,736	8,884	11,852
Total Expenditures	$ 40,441	$ 17,096	$ 23,345
Excess (Deficiency) of Revenues Over Budgeted Expenses	$3,042,367	$1,526,364	$1,516,003
Other Financing Sources (Uses)			
Nonlimited Expenditures	-	(506,357)	506,357
Nonlimited Revenue	-	372,095	(372,095)
Operating Transfers-in	46,940	203,807	(156,867)
Operating Transfers-out	(517,744)	(292,109)	(225,635)
Transfers to Counties and Cities	(210,192)	(98,691)	(111,501)
Transfers-out - Other	(766,300)	(530,128)	(236,172)
Loan Proceeds	-	13,191	(13,191)
Loan Repayments	14,072	5,367	8,705
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	$1,609,143	$ 693,539	$ 915,604
Fund Equity, July 1, 1983		3,768,343	
Transactions Recorded During the Year But Charged to Prior Biennia			
Revenue		6,127	
Expenditures		(7,082)	
Increase (Decrease) in Reserves			
Inventories		(26)	
Proprietary-Type Trusts		548	
Other		(1,052)	
Depreciation Expense		(17)	
Prior Period Adjustments		(51,924)	
Fund Equity, June 30, 1984		$4,408,456	

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets Account Group accounts for fixed assets acquired through governmental-type funds.

STATE OF OREGON
SCHEDULE OF GENERAL FIXED ASSETS

(Expressed in Thousands)

	AS OF JUNE 30, 1984	1983
Land	$140,260	$ 142,903
Buildings	404,195	545,043
Improvements Other than Buildings	30,157	36,697
Construction in Process	4,322	6,892
Equipment and Machinery	330,210	347,371
Data Processing Software	98	-
Leasehold Improvements	838	765
Capital Leased Property	1,718	-
Total General Fixed Assets	$911,798	$1,079,671

Prepared without audit - see letter of transmittal for comments.

The notes to the financial statements are an integral part of this report.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

General Long-Term Debt Account Group accounts for long-term debt other than those incurred in Proprietary, Special Assessment, and certain Trust Funds.

STATE OF OREGON
SCHEDULE OF GENERAL LONG-TERM DEBT

(Expressed in Thousands)

	AS OF JUNE 30, 1984	1983
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF LONG-TERM DEBT		
Amount Available in Debt Service Fund	$ 26,451	$ 54,084
Amount to be Provided - Long-Term Liabilities	3,939	9,623
Amount to be Provided - Long-Term Debt	268,074	253,856
Total Available and to be Provided	$298,464	$317,563
GENERAL LONG-TERM DEBT PAYABLE		
Bonds Payable		
Board of Higher Education Facilities	$ 59,695	$ 61,960
Community College and Education Center	35,080	36,355
Oregon Forest Rehabilitation and Reforestation	-	125
Oregon Pollution Control	144,450	150,900
Oregon State Highway	55,300	58,600
Total	$294,525	$307,940
Other Long-Term Liabilities		
Advances From General Fund	140	422
Contracts, Mortgages, & Notes Payable	1,174	1,317
Lease Purchase Contracts Payable	2,625	7,883
Obligations Under Capital Lease	-	1
Total in Long-Term Debt Account Group	$298,464	$317,563

Prepared without audit - see letter of transmittal for comments.
The notes to the financial statements are an integral part of this report.

STATISTICAL AND
ECONOMIC INFORMATION

ANALYSIS OF CASH AND INVESTMENTS WITH STATE TREASURY

Most of the state agencies are required to deposit the cash they receive in an account with the State Treasurer. The State Treasurer manages the funds similar to the way a commercial bank would do.

On the following page is an analysis of the Cash and Pooled Investments account shown in the Combined Balance Sheet as cash maintained by the State Treasurer. The portion of these funds which is considered to be excess funds is invested by the State Treasurer. A schedule of these investments is presented by classification.

Some agencies are allowed to designate amounts of cash to be invested separately by the Treasurer. These amounts, totalling $3,988,282 thousand, are included in the Investments account on the Combined Balance Sheet. A schedule of designated investments by classification is included in the following presentation.

STATE OF OREGON
ANALYSIS OF CASH ON DEPOSIT WITH STATE TREASURER
JUNE 30, 1984

(Expressed in Thousands)

Cash on Deposit - State Treasurer

Cash and Pooled Investments (Page 9)		$1,170,353
Adjusted by Outstanding Warrants and Deposits in Transit - Net		93,964
Total Cash on Deposit with State Treasurer		$1,264,317

Cash as Maintained by State Treasurer

Cash Items		
Federal Depositories	$144,574	
State Depositories - Demand Deposits	48,524	
Net Cash Items		193,098
Investment of Excess Funds		
Short-Term	$870,336	
Long-Term	200,883	
Total Invested		1,071,219
Total Cash and Excess Fund Investments		$1,264,317

STATE OF OREGON

TREASURY DEPARTMENT

CUSTODIAL ACCOUNTS
STATE FUNDS
Investments by Classification
June 30, 1984

(Expressed in Thousands)

CLASS	DESCRIPTION	EXCESS FUNDS	DESIGNATED FUND INVESTMENT
Short Term			
1110	U.S. Treasury Bills	$ -	$ 145,223
1120	U.S. Agency Paper	103,482	-
1210	Time Certificate of Deposit	88,850	-
1220	Bankers Certificate of Acceptance	14,891	-
1310	Utilities	95,140	42,452
1320	Industrial	258,143	117,689
1330	Bank Paper	-	325
1340	Finance Credit	125,085	21,546
1360	Insurance Companies	24,745	-
1370	Dealer Repurchases	160,000	50,000
	Total Short Term	$ 870,336	$ 377,235
Long Term			
2110	Government Bonds	$ -	$ 17,455
2111	U.S. Treasury Coupons	18,063	476,417
2112	U.S. Agency Bonds	16,395	109,003
2113	Canandian Bonds	-	197,701
2114	Municipal Bonds	-	37
2115	GNMA Passthrus and FHLMC	117,074	94,409
2116	U.S. Treasury Zero Coupons	-	83,251
2121	Telephone	-	109,621
2122	Electricity	-	390,367
2123	Gas	-	77,983
2130	Industrial Bonds	-	412,476
2140	Financial Bonds	-	174,509
2150	Railroad Bonds Equipment Trust	-	88,075
2160	Corporate Railroad Terminal Bonds	-	689
2170	Mortgage Passthru Securities	13,896	207,030
2180	Mortgage Backed Securities	-	23,984
2211	Capehart Mortgages	-	2,658
2212	Residential Blocks	30,115	19,863
2213	Apartments and Nursing Homes	-	2,014
2230	Conventional RE Mortgage	-	254,180
2240	Equity Real Estate	-	193,342
2241	Equity Real Estate Options	-	78,000
2310	State Agency Loans	-	5,890
2320	Business Loans	5,340	4,098
2330	State Tax Deferrals	-	36,252
2390	Convertible Bonds	-	36,000
2400	Equity Funds	-	1,943,028
	Total Long Term	$ 200,883	$5,038,332
	Total Investments	$1,071,219	$5,415,567
		(Page 75)	(Page 9)

STATE OF OREGON
REDISTRIBUTIONS OF REVENUE
FOR THE YEAR ENDED JUNE 30, 1984

(Expressed in Thousands)

Numerous moneys are distributed biennially by the State to local governmental units and individuals. Redistributions of revenue are recorded and reported in various ways by the state agencies depending on their legislatively-approved budgets. This is a summary of the distributions that are reported as Transfers-out, Special Payments Expenditures, or Nonlimited Expenditures in the financial statements. During 1983-84 the State of Oregon made the following distributions:

	1983-84 TOTAL	NONLIMITED FUNDS	OTHER FUNDS	FEDERAL FUNDS	STATE GENERAL FUND
Cities	$ 64,282	$ 18,901	$ 34,870	$ 9,305	$ 1,206
Counties	329,167	86,606	177,970	23,249	41,342
Other Governmental Units	18,387	9,774	(161)	6,476	2,298
Nongovernmental Units	61,673	26,827	860	32,063	1,923
Individuals	1,230,021	739,857	218,277	146,505	125,382
Local School Districts	510,719	431,221	470	61,942	17,086
Community Colleges	56,038	-	631	3,662	51,745
Other (A)	17,334	(5,178)	3,233	7,709	11,570
Total	$2,287,621	$1,308,008	$436,150	$290,911	$252,552

(A) Some state agencies are using "Other" instead of the more specific classification.

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY REVENUES

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30,				
	1984	1983	1982	1981	1980
Income Taxes	$1,365,762	$1,319,803	$1,093,073	$1,165,123	$1,045,400
Selective Sales and Use Taxes	272,183	248,258	213,593	197,267	200,890
Gross Receipts Business Taxes	42,014	39,801	40,338	40,376	38,966
Employer - Employe Taxes	405,461	378,088	317,043	73,416	551,738
Inheritance and Gift Taxes	33,705	35,760	42,216	35,428	27,358
Severance Taxes	29,879	48,486	47,625	49,975	53,345
Other Taxes	14,125	12,768	6,846	4,431	3,905
Business Licenses and Fees	32,268	26,363	27,642	27,771	21,068
Nonbusiness Licenses and Fees	91,198	85,462	82,492	76,393	75,181
Federal Revenues	944,695	988,338	910,698	1,069,192	915,315
Charges for Services	561,352	524,738	464,000	423,678	374,222
Fines and Forfeitures	29,481	17,358	7,187	5,659	5,958
Rents and Royalties	18,863	16,746	21,937	17,715	20,910
Bond Sales	218,970	520,525	251,100	1,159,080	1,192,640
Interest Income	1,027,691	931,077	683,229	604,040	500,672
Sales Income	278,498	247,786	233,695	225,505	222,357
Cost of Goods Sold	(150,553)	(125,679)	(80,157)	(81,044)	(76,523)
Donations and Grants (Nonfederal)	39,868	35,458	36,225	26,860	28,130
Contributions (Retirement)	720,416	692,798	700,085	632,452	496,872
Loan Repayments	451,564	407,478	268,507	217,540	222,229
SAIF Assessment	-	81,000	-	-	-
Workers' Compensation Premiums	*	*	*	237,497	*
Other Revenue	280,202	94,223	68,917	43,797	94,364
Loan Proceeds	13,349	-	4,785	-	-
Revenue Transfers (Net)	174,183	76,916	46,758	75,301	(89,704)
Total Revenue	$6,895,174	$6,703,551	$5,487,834	$6,327,452	$5,925,293

*Included in Employer - Employe Taxes

STATE OF OREGON
HISTORICAL STATEMENT OF
BUDGETARY EXPENDITURES
BY BUDGET AUTHORITY

(Expressed in Thousands)

	FISCAL YEAR ENDED JUNE 30,				
	1984	1983	1982	1981	1980
STATE GENERAL FUND EXPENDITURES					
Personal Services	$ 386,337	$ 342,682	$ 362,855	$ 325,879	$ 312,239
Services and Supplies	112,291	93,636	88,470	84,851	91,351
Capital Outlay	17,196	8,158	10,704	16,701	20,129
Special Payments	982,223	937,540	1,009,738	944,850	1,019,578
Debt Service	6,868	2,888	5,772	2,970	8,874
Total General Fund	$1,504,915	$1,384,904	$1,477,539	$1,375,251	$1,452,171
OTHER FUND EXPENDITURES					
Personal Services	$ 501,771	$ 474,562	$ 418,665	$ 385,859	$ 352,988
Services and Supplies	458,128	437,581	439,940	649,401	398,391
Capital Outlay	26,861	35,938	23,098	27,873	29,922
Special Payments	33,622	82,108	42,327	58,635	47,029
Debt Service	26,091	11,877	9,512	9,414	6,406
Total Other Funds	$1,046,473	$1,042,066	$ 933,542	$1,131,182	$ 834,736
FEDERAL FUND EXPENDITURES					
Personal Services	$ 120,839	$ 118,280	$ 118,379	$ 110,592	$ 101,033
Services and Supplies	43,514	42,068	40,565	41,098	38,685
Capital Outlay	4,527	2,764	2,473	6,504	3,102
Special Payments	387,767	375,773	326,840	422,289	362,405
Total Federal Funds	$ 556,647	$ 538,885	$ 488,257	$ 580,483	$ 505,225
NONLIMITED FUND EXPENDITURES					
Personal Services	$ 124,364	$ 98,810	$ 95,283	$ 93,938	$ 83,157
Services and Supplies	192,811	167,037	143,010	128,376	136,719
Capital Outlay	12,238	8,603	9,811	12,880	8,220
Special Payments	1,976,526	1,714,847	1,805,799	1,999,715	2,222,007
Debt Service	697,424	627,050	575,489	522,009	340,553
Other	26,676	24,276	3,133	3,436	1,909
Total Nonlimited Funds	$3,030,039	$2,640,623	$2,632,525	$2,760,354	$2,792,565
Total Expenditures	$6,138,074	$5,606,478	$5,531,863	$5,847,270	$5,584,697

ANALYSIS OF BONDED DEBT

The State of Oregon Constitution provides for the issuance of general obligation debt for a number of purposes. The State may also issue revenue bonds under various State laws.

General obligation bonds are secured by the full faith and credit of the government and are not deemed a primary obligation of any specific fund of the organization.

Revenue bonds such as the housing revenue bonds are not secured by the full faith and credit of the State nor are the bonds an obligation of the State. They are secured and payable only from the obligations of the mortgage lenders as collaterally secured by approved securities or to first mortgage liens on low income family residential property.

The following summary information is provided for the year ended June 30, 1984 to aid in analysis of State bonded debt.

Analysis of General Obligation Debt.
Summary of Outstanding Debt and Constitutional and Statutory Provisions.
Summary of Oregon State Constitutional Provisions regarding General Obligation Debt.

STATE OF OREGON
ANALYSIS OF GENERAL OBLIGATION DEBT

(Expressed in Whole Dollars)

	JUNE 30,				
	1980	1981	1982	1983	1984
Total General Obligation Debt	$4,844,741,000	$5,523,265,000	$5,673,406,000	$5,911,585,000	$5,617,356,000 1/
Revenue Supported General Obligation Debt	$4,607,122,631	$5,377,521,631	$5,532,547,631	$5,767,875,000	$5,479,246,000
Nonrevenue Supported General Obligation Debt	$138,618,369	$145,743,369	$142,038,369	$143,710,000	$138,110,000
Population 2/	2,639,915	2,660,735	2,656,185	2,635,000	2,635,000
Total Debt per Capita	$1,835.19	$2,075.84	$2,135.92	$2,243.49	$2,131.81
True Cash Value (TCV)	$73,401,711,033	$82,426,835,098	$86,428,611,621	$85,364,563,949	$85,364,563,949
Total Debt as Percent TCV	6.60%	6.70%	6.56%	6.92%	6.58%
Nonrevenue Supported General Obligation Debt per Capita	$52.51	$54.78	$53.47	$54.54	$52.41
Nonrevenue Supported General Obligation Debt as Percent TCV	.19%	.18%	.16%	.17%	.16%
Total Personal Income	$22,336,000,000	$24,700,000,000	$26,700,000,000	$27,350,000,000	$29,065,000,000
Revenue Supported General Obligation Debt as Percent Total Personal Income 3/	21.07%	21.77%	20.72%	21.09%	18.85%
Nonrevenue Supported General Obligation Debt as Percent Total Personal Income	.62%	.59%	.53%	.53%	.48%

1/ Excludes short-term obligation of $100 million in tax exempt commercial paper and $167 million in Veterans' Tax Notes.
2/ Population figures are as of July 1 each year. Source: Center for Population Research, Portland State University.
3/ Total personal income is based on calendar year averages of preceding year: This tends to overstate percentages shown. Source: Oregon Department of Human Resources, Employment Division, Research and Statistics.

STATE OF OREGON
SUMMARY OF OUTSTANDING DEBT
AND CONSTITUTIONAL AND STATUTORY PROVISIONS
June 30, 1984

(Expressed in Thousands)

PURPOSE/DEPARTMENT	CONSTITU. 1/ PROVISION	CONSTITU. DEBT LIMIT	STATUTORY DEBT LIMIT	AMOUNT ISSUED	AMOUNT 2/ OUTSTAND.	AUTHORIZA. 3/ REMAINING
GENERAL OBLIGATION BONDS						
General Fund:						
Higher Education Facilities	ART XI-G		-	$92,083	$59,695	
Community College & Education Center	ART XI-G	3/4% TCV	-	44,645	35,080	$545,459
State Power Development	ART XI-D	1-1/2% TCV	-	-	-	1,280,468
General Purposes 1/	ART XI-Sec 7	$50	-	-	-	50
Oregon Forest Rehabilitation & Reforestation	ART XI-E	3/16% TCV	$ 750/yr	13,350	-	160,059
Oregon Pollution Control *(30% General Fund)	ART XI-H	1% TCV	$ 260,000	187,500	43,335	115,550
Fully Self-Supporting:						
Higher Education Building Projects	ART XI-F(1)	3/4% TCV	-	151,293	87,036	553,198
Oregon State Highway	ART XI-Sec 7	1% TCV	various (see ORS 367)	246,050	55,300	798,346
Irrigation, Drainage and Water Projects	ART XI-I	1-1/2% TCV	-	40,646	22,885	1,257,583
Elderly Multi-family Housing	ART XI-I	1/2% TCV	-	87,915	87,405	339,418
Oregon Veterans' Welfare	ART XI-A	8% TCV	-	6,235,000	5,067,300	1,761,865
Alternate Energy Projects	ART XI-J	1/2% TCV	-	68,835	58,205	368,618
Oregon Pollution Control *(70% Self-Supporting)	(see above)			(see above)	101,115	(see above)
Total General Obligation Bonds				$7,167,317	$5,617,356	$7,180,614
REVENUE BONDS						
Board of Forestry Forest Development Financing			$ 500 (ORS 530.140)	-	-	$500
Department of Commerce, Housing Division Housing Project Financing			$1,030,000 (ORS 456.661)	$545,495	$454,874	$575,126
Oregon Mass Transportation Financing Authority (Note 9)			$ 250,000 (ORS 391.550)	$32,100	$31,470	$218,530
INDUSTRIAL DEVELOPMENT REVENUE BONDS						
Economic Development Department (Note 9)			(ORS 280.310)	$201,457	$169,209	$ -
Short-Term Debt 1/	Art XI-Sec 7	$50		-	-	$50

1/ The State of Oregon may not incur indebtedness exceeding $50,000 without a constitutional amendment approved by voters.
2/ Excludes $100 million Veteran's Welfare tax-exempt commercial paper and $167 million in Veteran's Tax Notes. Excludes refunded bonds and $16,115 thousand in bonds defeased by the Department of Water Resources.
3/ Based on the January 1, 1983 True Cash Value (TCV) of $85,364,563,349.

STATE OF OREGON
Summaries of Oregon State Constitutional Provisions Regarding General Obligation Debt

ARTICLE IX

Section 2 of this Article states that the legislature shall provide for raising enough revenue to defray the expenses of the State for each fiscal year and also to pay the interest on the State debt. Section 3a of this Article restricts the use of gasoline taxes and other highway-user taxes to activities associated with the State's roads, including the retirement of bonds where these taxes have been pledged as the source of revenue. In addition, however, taxes on recreational vehicles may be used to acquire and care for parks and recreation areas. Section 6 requires the legislature to increase taxes to cover deficits occurring in the previous year and estimated expenses for the ensuing year.

ARTICLE XI

Section 7 limits the State's indebtedness for purposes not otherwise provided for in the constitution to $50,000 and for building and maintaining roads to 1% TCV of property in the State. The section does not apply to real property leases up to 20 years entered into by the State for a public purpose.

ARTICLE XI-A

Section 1 of this Article authorizes the State to borrow up to 8% TCV of property in the State to create the Oregon War Veteran's Fund. Section 2 states that bonds of the Oregon War Veteran's Fund shall be a direct obligation of the State. An annual tax of up to 2 mills on all taxable property within the State is allowed by Section 4 as a source of interest and repayment for the bonds. This amount of tax however is limited by Statute to 0.25 mill.

ARTICLE XI-D

This Article estabishes a debt limit of 1.5% TCV of all taxable property in the State to provide primarily for the development of hydroelectric power.

ARTICLE XI-E

This Article establishes a maximum debt limit of 3/16% TCV of all taxable property in the State to provide for the reforestation of land which the State currently owns and that which it may acquire for the purpose of reforestation. Funds generated from the reforested lands must be used to repay any oustanding debt issued under this provision and property taxes are also authorized to assist in repaying this debt. A debt limit of $750,000/year is currently set by statute.

ARTICLE XI-F(1)

Here the constitution provides a debt limit of 3/4 of 1% TCV of all taxable property in the State for higher education building projects. These projects must be wholly self-supporting and self-liquidating from revenues, gifts, grants or building fees. If the projects do not provide enough funds to repay the debt and the interest on the debt, property taxes are allowed.

ARTICLE XI-G

In addition to the debt provisions of Article XI-F(1) this article allows a debt limit of up to 3/4 of 1% TCV for higher education projects (including those of community colleges). Unlike Article XI-F(1), however, these projects cannot be totally self-supporting. Property taxes are allowed to repay this debt and its interest. In addition, any funds spent under this provision must be matched by the legislature from the General Fund.

ARTICLE XI-H

Funds for pollution abatement projects of State and local government agencies may be borrowed under this section, up to 1% TCV of all taxable property in this State. Facilities acquired under this program are required to "conservatively appear" to be at least 70% self-supporting and self-liquidating from revenues, gifts, grants from the Federal Government, user charges, assessments and other fees. Property taxes are provided as a source of additional revenue to support these bonds.

ARTICLE XI-I(1)

Funds for loans to construct water development projects for irrigation and drainage may be borrowed up to 1-1/2% TCV of all the property within the State. Property taxes may be levied to repay this debt if revenues are insufficient.

ARTICLE XI-(2)

Authorizes funds for additional financing for multifamily housing for elderly households of low income. Debt outstanding for this purpose may not exceed 1/2 of 1% TCV of all taxable property in the State. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

ARTICLE XI-J

Authorizes borrowing to provide funds for loans for small scale local energy projects, up to 1/2 of 1% TCV of all taxable property in the State. Property taxes may be levied to repay this debt if revenues from loan repayments are insufficient.

APPROVED BY:

Dave Frohnmayer

ATTORNEY GENERAL, State of Oregon

THE STATE'S ECONOMY

The following information on the state's economy, obtained from sources indicated, may be relevant in evaluating the economic and financial condition and future prospects of the state. The data do not present all factors which may relate to the state's economic and financial affairs and may require economic analysis in order to determine their importance to the state. The data may be subject to differing interpretations depending on the economist or financial analyst consulted.

An Overview

The decade of 1970-1980 was one of sound growth and increasing diversification in the Oregon economy. Most significant was the continuing trend in manufacturing employment away from the cyclical wood products industry and toward high technology enterprises.

Manufacturing employment in the wood products industry has declined from nearly 60% of the state's total in 1950 to 33.2% in 1983. Over the same period the high technology sector of the economy has grown from about 5,000 employes to 38,600 employes. The latter figure represented about 21.6% of manufacturing employment in 1983, compared with 13.9% in 1973.

A diverse agricultural base contributes to economic diversity. A mild climate, varied topography and rich soil support the more than 83 commodities which reported sales of $1 million or more in 1983. Much of this agricultural activity occurs in the Willamette River Valley in the western portion of the state. This valley also contains most of the state's population and much of the manufacturing activity.

Population and per capita income in Oregon have increased at rates significantly above national averages in the last decade. In the late 1970's Oregon's population grew at a rate of three to four times the national average. However, 1981 marked a reversal of this trend as the state registered an increase of only 0.78% over 1980 while the nation's population grew by 1.24%. In 1983, the state's population decreased by .80%, a major change from the 1.5 to 5 percent annual growth experienced since 1972.

Portland, located at the confluence of the Columbia and Willamette Rivers, is Oregon's largest city and the hub of economic activity. The greater Portland area is one of the most diversified manufacturing centers on the West Coast. It is also the home of the Port of Portland, a significant seaport for trade between the western United States and the Pacific Rim nations. The Port has continued to move ahead with its aggressive program of industrial development after a temporary disruption of normal activities in 1980, due to deposits of volcanic ash from Mt. St. Helens.

Outside the Willamette Valley, those areas not devoted primarily to agriculture continue to rely somewhat heavily on the wood products industry. This industry's sensitivity to economic fluctuations persists and has resulted in fluctuating levels of employment in rural counties. Only the pulp and paper sector of the wood products industry has demonstrated relative strength in recessionary periods. The housing and construction industries were fairly hard hit by downturns in national economic activity experienced in the last two years. The current revival of home building and construction across the nation, along with rebuilding of depleted inventories has caused a steady upswing in wood products employment in recent months.

Summary of Economic Trends

Following World War II, the Oregon economy exhibited rather slow growth performance for about two decades. However, beginning in the mid-sixties, the economy of the state began a period of more rapid growth, better economic diversification, and improvement in comparison to national trends.

During the period from 1964 to 1974, the real value of goods and services produced in the state increased at an average annual rate of 4.7%, as compared to 3.1% average expansion from 1950 to 1963. During the same decade, Oregon also outpaced the mean annual real growth attained by the United States economy as a whole. Further, the period from 1970 to 1978 saw an annual real growth rate in Oregon of 5.41% as compared with a 3.35% national rate.

This economic growth, outpacing national growth, resulted in corresponding advances in real personal income and employment, as well as attracting increasing numbers of new residents from other states. From 1970 to 1980, Oregon population grew 26.5% compared with only 11.1% nationwide. About two-thirds of the increase in Oregon was due to net migration.

The decade from 1970 to 1980 brought more accelerated growth to the state. Per capita income increased from 94.1% of the national average in 1970 to 100% from 1976-1979, then dropped to 94% in 1982. As noted previously, the period from 1970-80 saw a continuation of the trend toward increasing economic diversity as high technology industries (electrical equipment and supplies, machinery, and instruments) registered rapid employment gains and wood products employment grew slowly through 1979.

Unemployment as a percent of labor force continued to be above the national average in the last decade. However, Oregon's average employment growth outpaced labor force growth, whereas nationally labor force growth exceeded employment growth. Between 1972 and 1981 Oregon's total nonagricultural employment increased 31.5% while population increased 21.9%. In 1982, this trend was reversed somewhat, with reductions in both employment and population.

Oregon remains slightly more sensitive to economic cycles than the national average due to the forest products component of its economy. Although recessionary periods continued to be somewhat more pronounced in Oregon than in the nation as a whole, the state's economy generally out performed the national economy in the last decade. Until 1981, gross product, population and employment grew at a rate about double that of the United States, while unemployment and inflation were generally above national averages.

The high interest rates experienced in the last two years have had a significant impact on certain sectors of the Oregon economy. The recession-sensitive wood products, housing and construction industries were particularly hard hit. Greatest impact has been in the rural counties of eastern and southern Oregon which depend on one or a combination of these industries. In urban areas generally, and Portland in particular, the diverse economic base has provided a measure of insulation from the impacts of the recession. While economic activity has slowed in those areas, unemployment remains below the national average.

Tourism was strong throughout the 1980's, due in part to the plentiful supplies of relatively low-cost automobile fuel. Despite national economic difficulties, in the immediate future Oregon's economy looks encouraging due to a combination of lower interest rates and signs of recovery in the U.S. housing industry. Depleted inventories have also contributed to renewed activity in Oregon's lumber industry. The state has made a commitment to greater diversification and considerable strides have been made toward this end in recent years. While high technology industry growth is likely to slow, the decline in the relative importance of wood products is expected to continue. The state anticipates even greater foreign trade in the considerable markets of the Far East and other Pacific Rim nations.

Economic Diversification

Oregon has been successful in the past decade in attracting new industries and encouraging expansion of high technology employment and commerce. The trend in the past ten years has been toward less dependence on Oregon's primary industry, forest products.

Lumber and wood products have declined in the proportion they hold of Oregon manufacturing employment from 38.8% in 1970 to 33.2% in 1983. This occurred during a period when Oregon's Gross State Product grew at an average real rate of 5.41% compared with a Gross National Product average real growth rate of only 3.35%. In the same period paper and allied products dropped from 5.5% to 5.2% of manufacturing employment.

The decade brought the largest employment gains in the area in high technology, from 12.5% to 21.6% of total employment. This category, which includes machinery, electrical equipment and supplies and instruments and related products, can be expected to continue expansion, based on national trends and forecasts.

Metals, both primary and fabricated, have also shown a substantial increase in the proportion of Oregon employment represented. Food products manufacturing employment has declined slightly in significance.

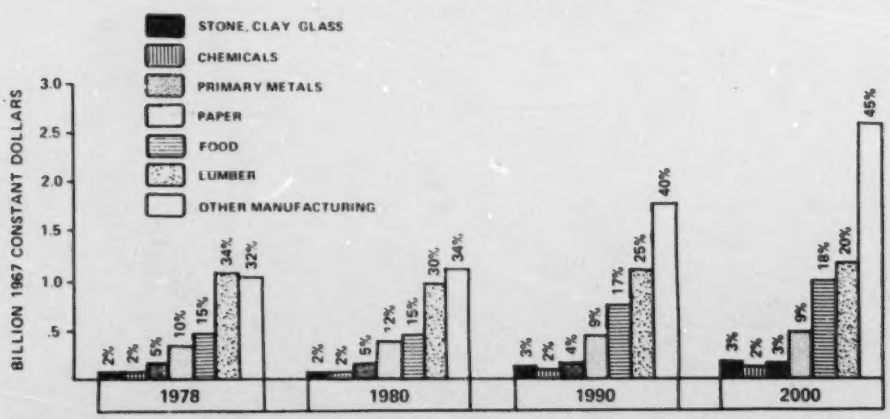
Value Added in Manufacturing

The Oregon Department of Energy, using historical growth patterns, forecasts labor productivity and value added in manufacturing through the year 2000 as part of its econometric model for determining the energy outlook for the state.

Using Standard Industrial Classification codes, lumber and paper manufacturing value added is expected to grow at an overall rate of 2.1% annually, compared with the historical rate of 9.0%. Electrical equipment and transportation equipment are expected to grow at an overall rate of 9%, compared with the historical rate of 21.7%. Exhibit 2 presents a comparison of the relative contributions of the various industries, historically and projected over the forecast period.

EXHIBIT 2

REAL MANUFACTURING VALUE ADDED IN OREGON:
ACTUAL AND PROJECTED



Source: State of Oregon, Department of Energy, Seventh Annual Report, January, 1983.

Gross State Product

For the year 1982, Oregon's Gross State Product (GSP), calculated in 1972 constant dollars, was $16.6 billion, representing an increase of 23.4% over the 1973 level. The state's growth in GSP over the period exceeded the growth in national Gross Domestic Product (GDP). In current dollars, the average annual increase of GDP was 9.2% for the period, the Gross National Product increased 9.8%, and the state's Gross State Product increased 10.3%.

Changes in the composition of Oregon's GSP are more evident for the period 1961 to 1981 than from 1971 to 1981. Durable goods manufacturing increased from 14.2% of GSP in 1961 to 15.9% in 1981. Construction declined from 7.0% of GSP in 1961 to 3.6% in 1981; government declined from 15.5% of GSP in 1961 to 12.3% in 1981; and farming declined from 4.8% of GSP in 1961 to 2.6% in 1981.

Exhibit 3 shows the distribution of GSP by major Standard Industrial Classification (SIC) from 1973 to 1982. The sectors showing rapid growth in GSP share from 1973 to 1982 were electronic equipment and supplies and instruments and related products. These sectors contributed 3.2% to GSP in 1973 and 4.9% in 1982. The state's largest employer, Tektronix, Inc. was reclassified from electrical equipment and supplies manufacturing to instruments and related products manufacturing beginning in 1975. Nonmanufacturing activity increased from 58.1% of GSP to 59.3% over the period. Government modestly declined from 12.6% of GSP in 1973 to 12.4% in 1982.

EXHIBIT 3

OREGON GROSS STATE PRODUCT BY INDUSTRY, 1973-82
(In Millions of 1972 Constant Dollars)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982*
Gross State Product(1)	$12,782.9	$12,976.6	$12,878.6	$14,408.4	$15,195.6	$16,366.6	$16,968.7	$16,711.4	$16,606.9	$15,778.4
Farm	366.0	490.9	443.1	456.8	369.1	371.8	378.6	516.9	662.7	612.1
Manufacturing	3,376.2	3,340.1	3,079.4	3,313.8	3,648.4	3,692.7	4,131.7	3,845.3	3,962.4	3,342.2
Nondurable Goods	849.2	843.6	802.6	865.0	920.8	926.2	995.3	983.5	990.9	945.6
Food Processing	403.1	381.3	374.9	391.7	398.7	401.4	431.9	449.6	458.4	469.1
Textile Mills	24.6	22.7	21.0	23.5	26.4	27.0	28.0	25.9	25.1	25.1
Apparel	28.1	29.0	30.3	31.6	33.6	35.4	35.3	32.6	31.7	29.5
Paper and Allied	199.0	217.6	189.5	215.0	232.9	212.2	241.5	238.0	241.8	226.3
Printing	101.5	100.5	101.5	106.7	108.2	122.7	130.4	133.2	135.9	128.8
Chemicals	47.3	48.0	47.3	53.6	53.1	54.2	55.8	51.6	49.9	44.2
Petrol. and Related	22.8	21.3	14.3	15.8	18.7	18.9	20.1	16.7	(D)	(D)
Rubber and Plastics	20.7	21.1	21.8	25.0	30.8	35.4	36.3	34.9	38.3	34.0
Leather	2.1	2.1	2.0	2.9	3.0	3.4	3.2	3.1	(D)	(D)
Durable Goods	2,527.0	2,496.5	2,276.8	2,384.2	2,656.9	2,962.6	3,049.4	2,774.5	2,628.6	2,335.2
Lumber and Wood	1,498.9	1,426.8	1,307.8	1,481.2	1,540.7	1,548.6	1,551.3	1,435.8	1,244.2	1,119.7
Furniture	39.1	34.7	36.1	33.8	36.7	40.2	31.4	32.3	30.8	27.8
Stone, Clay and Glass	62.1	59.3	55.1	62.6	62.7	72.1	79.2	81.4	68.0	58.5
Primary Metals	157.7	177.4	150.3	150.2	163.5	184.9	201.2	193.8	196.6	133.4
Fabricated Metals	146.8	143.3	131.8	147.9	171.1	195.1	207.4	193.4	185.3	154.5
Machinery	195.3	205.8	188.5	201.4	240.8	274.0	309.2	317.4	344.6	317.1
Electrical Machinery	156.5	165.4	44.1	51.3	64.4	89.9	134.9	164.7	185.3	154.5
Instruments	41.5	44.4	175.2	194.8	232.9	281.4	299.5	315.9	295.1	308.8
Motor Vehicles	202.9	215.1	162.1	91.9	117.8	140.5	146.7	108.2	91.2	78.7
Other Transportation Equipment	95.8	101.0	69.1	102.4	82.9	104.4	99.4	95.2	82.8	76.4
Miscellaneous Manufacturing	26.2	24.3	25.8	27.0	29.4	31.2	29.6	29.5	36.1	35.5
Nonmanufacturing	7,430.9	7,469.1	7,604.1	8,261.2	9,142.7	10,117.9	10,661.4	10,014.7	10,028.7	9,355.6
Agricultural Services	60.3	71.8	61.8	71.7	72.7	92.7	103.0	104.2	96.1	96.1
Mining	50.2	45.1	38.2	27.8	32.6	43.2	40.9	36.2	31.0	25.4
Construction	621.0	586.4	549.1	641.5	727.2	824.1	854.4	731.9	559.1	437.5
Transportation	591.2	598.4	554.0	600.3	637.7	666.3	697.7	646.5	589.8	542.3
Communications	324.0	331.5	361.8	394.0	435.9	491.5	543.1	593.6	608.6	585.5
Utilities	305.5	295.2	315.6	324.6	342.3	357.4	377.4	403.1	418.4	371.8
Wholesale Trade	1,030.1	1,032.0	1,047.8	1,098.2	1,187.7	1,320.6	1,366.4	1,305.4	1,307.9	1,198.3
Retail Trade	1,479.3	1,416.6	1,482.8	1,620.9	1,748.8	1,885.9	1,954.1	1,876.0	1,843.4	1,720.0
Finance, Insur., and Real Estate	1,623.9	1,688.4	1,742.4	1,917.2	2,270.2	2,607.1	2,789.6	2,702.4	2,583.0	2,417.1
Services	1,345.4	1,403.7	1,450.6	1,565.0	1,687.2	1,829.1	1,934.8	1,975.4	1,991.4	1,961.6
Government	1,609.8	1,676.5	1,752.0	1,827.4	1,863.1	1,935.1	1,993.7	2,008.3	2,010.3	1,960.9

(1) Industrial Classification is according to the 1967 Standard Industrial Classification (S.I.C.) Manual for years 1971 through 1974 and according to the 1972 Standard Industrial Classification (S.I.C.) Manual for 1975-1982.

* Preliminary Estimates

D - Not shown to avoid disclosure of confidential information.

Source: Information and Research Division, Oregon Department of Economic Development.

Nonagricultural Employment Trends

Total nonagricultural wage and salary employment in Oregon rose from 816,200 in 1973 to 963,600 in 1983, an increase of 18.1%. By major industry sector, nonmanufacturing increased more rapidly than manufacturing during this period. Nonmanufacturing employment increased 25.4% while manufacturing employment increased by 5.0%. The discussion of employment trends by sector is based on data compiled by Standard Industrial Classification (SIC) codes. Exhibit 4 presents Oregon nonagricultural wage and salary employment since 1973. Exhibit 5 compares Oregon and U. S. nonagricultural employment in 1983.

EXHIBIT 4

OREGON NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT(1)
CALENDAR YEAR AVERAGES
1972 STANDARD INDUSTRIAL CLASSIFICATION

(Numbers in Thousands)(2)
(Not seasonally adjusted)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Total All Industries	816.2	837.9	837.4	878.5	936.9	1,009.4	1,056.2	1,044.6	1,018.4	961.5	963.6
Manufacturing	196.9	196.8	182.1	193.7	206.1	219.1	228.5	215.1	202.7	186.0	187.0
Durable Goods	145.6	145.2	132.8	142.4	152.1	165.1	171.8	159.6	148.4	132.8	133.7
Lumber and Wood Products	80.9	76.7	69.6	76.4	79.4	81.4	81.2	69.5	63.8	55.6	62.0
Logging and Sawmills	41.9	41.0	36.6	39.7	40.8	41.4	41.9	36.9	33.0	29.1	32.1
Veneer and Plywood	25.9	23.8	21.8	23.7	24.3	24.5	24.3	20.5	19.0	16.6	17.5
Millwork and Structural Wood	6.3	5.5	5.6	6.7	7.3	8.0	7.7	6.2	6.1	5.3	7.4
Mobile Homes	1.8	1.7	1.8	2.1	2.6	3.0	3.0	2.1	1.9	1.3	1.5
Other Wood Products	5.0	4.7	3.8	4.2	4.4	4.5	4.3	3.8	3.8	3.3	3.5
Furniture and Fixtures	3.8	3.1	3.0	2.9	3.1	3.2	2.9	2.6	2.5	2.2	2.3
Stone, Clay and Glass Products	3.6	3.6	3.3	3.6	3.8	4.0	4.4	4.5	3.9	3.4	3.1
Primary Metals	8.9	10.1	9.5	9.3	9.7	10.4	11.1	11.0	10.2	8.1	7.4
Fabricated Metals	9.5	10.2	9.7	10.3	11.7	13.2	13.7	12.7	11.2	9.8	9.3
Machinery	12.0	12.6	11.6	11.7	13.5	15.4	17.3	17.7	18.0	16.5	15.0
Electrical Equipment and Supplies	3.6	3.9	3.6	3.9	4.6	6.1	8.6	9.8	10.0	10.1	10.5
Transportation Equipment	9.1	9.4	8.4	9.5	9.9	12.0	12.2	10.3	8.9	7.9	7.0
Instruments and Related Products	11.8	13.3	12.1	12.6	14.2	17.1	18.2	19.3	17.4	16.8	14.8
Miscellaneous Manufacturing	2.4	2.3	2.0	2.2	2.2	2.3	2.2	2.2	2.5	2.4	2.3
Nondurable Goods	51.3	51.6	49.3	51.3	54.0	54.0	56.7	55.5	54.3	53.2	53.3
Food and Kindred Products	23.4	23.3	22.4	22.9	24.1	24.4	25.2	24.3	23.8	23.7	23.8
Textile Mill Products	2.4	2.4	2.1	2.2	2.1	2.2	2.2	2.0	1.8	1.9	1.7
Apparel	3.4	3.5	3.2	3.5	3.4	3.4	3.5	3.2	2.8	2.7	2.5
Paper and Allied Products	9.8	10.1	9.6	9.8	10.4	8.8	9.8	10.4	10.3	9.6	9.3
Printing and Publishing	7.7	7.9	7.7	8.2	8.8	9.5	10.0	10.0	10.2	10.1	10.4
Chemicals and Allied Products	2.1	2.1	2.1	2.2	2.3	2.4	2.4	2.3	2.2	2.1	2.1
Petroleum Refining	0.5	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.5	0.5	0.5
Rubber and Plastic Products	1.8	1.6	1.5	1.8	2.1	2.4	2.6	2.4	2.4	2.3	2.5
Leather Products	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.5
Nonmanufacturing	619.3	641.1	655.3	684.8	730.8	790.3	827.7	829.5	815.7	775.5	776.6
Mining and Quarrying	1.9	1.8	1.7	1.5	1.8	2.2	2.4	2.3	2.2	1.8	1.6
Contract Construction	39.0	39.0	35.3	36.6	42.6	48.8	53.0	46.5	37.5	28.9	26.4
Transportation, Comm., and Utilities	52.3	52.5	50.2	51.2	53.7	56.9	60.0	60.5	59.3	56.7	54.9
Transportation	32.9	32.7	30.8	31.6	32.9	34.6	36.0	35.4	34.1	31.9	31.7
Communications	12.6	12.8	12.5	12.5	13.3	14.5	15.8	16.3	16.1	15.9	16.5
Utilities	6.8	7.0	6.9	7.1	7.5	7.8	8.2	8.8	9.1	8.9	9.9
Trade	187.9	194.2	199.4	210.9	225.7	245.6	256.6	255.6	253.5	238.8	242.2
Wholesale	51.6	53.5	53.1	55.0	58.5	63.2	67.0	67.4	67.0	62.7	62.0
Retail	136.3	140.7	146.3	155.9	167.2	182.4	189.8	188.2	186.5	176.1	180.2
Finance, Insurance, and Real Estate	47.2	48.0	48.9	51.9	57.6	64.2	69.1	70.0	68.5	65.1	64.7
Services	130.7	137.1	142.7	151.1	162.6	175.5	185.7	191.4	192.1	188.6	193.9
Government	160.3	168.5	177.1	181.6	186.8	197.1	200.7	203.2	202.6	195.6	192.9
Federal	25.9	26.6	26.9	27.4	27.7	29.1	29.9	30.8	29.5	29.1	29.2
State	44.8	46.8	49.9	51.0	52.1	53.6	54.4	55.3	53.1	50.9	51.9
Local	89.6	95.1	100.3	103.2	107.0	114.4	116.4	117.1	120.0	115.6	111.8

(1) Includes full and part-time nonfarm wage and salary workers. Job totals are on a place of work basis and are not adjusted for multiple job holders. Data are thus not directly comparable to total employment data given elsewhere in this publication.

(2) Excludes 100 or more workers involved in labor management disputes.

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

EXHIBIT 5

COMPARATIVE NONAGRICULTURAL EMPLOYMENT, 1983

	Oregon			U.S.		
	Employment (in thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment	Employment (in thousands)	Percent of Total Manufacturing Employment	Percent of Total Nonagricultural Employment
Manufacturing	187.0	100.0%	19.4%	18,678	100.0%	20.7%
Durable	133.7	71.3	13.9	10,930	59.0	12.1
Lumber and Wood	62.0	33.2	6.4	676	3.3	0.7
Furniture and Fixtures	2.3	1.2	0.3	451	2.4	0.5
Stone, Clay and Glass	3.1	1.7	0.3	575	3.1	0.6
Metals	16.7	8.9	1.7	2,235	12.5	2.5
High Technology(1)	40.3	21.6	4.2	4,827	26.6	5.4
Transportation Equipment	7.0	3.7	0.7	1,784	9.2	2.0
Miscellaneous Manufacturing	2.3	1.2	0.3	382	2.1	0.4
Non-Durable	53.3	28.5	5.6	7,748	41.0	8.6
Food	23.8	12.7	2.5	1,631	8.7	1.8
Textiles and Apparel	4.2	2.2	0.4	1,913	10.1	2.1
Paper	9.3	5.0	1.0	659	3.5	0.7
Printing and Publishing	10.4	5.6	1.0	1,283	6.7	1.4
Chemicals	2.1	1.1	0.2	1,058	5.7	1.2
Miscellaneous(2)	3.5	1.9	0.4	1,204	6.3	1.3
Contract Construction	26.4	—	2.8	3,944	—	4.4
Transportation, Communication and Public Utilities	54.9	—	5.7	4,942	—	5.5
Wholesale and Retail Trade	242.2	—	25.1	20,504	—	22.8
Finance, Insurance and Real Estate	64.7	—	6.7	5,456	—	6.0
Selected Services and Mining	195.5	—	20.3	20,705	—	23.0
Government	192.9	—	20.0	15,747	—	17.5
Federal	29.2	—	3.0	2,753	—	3.0
State and Local	163.7	—	17.0	12,994	—	14.4
TOTAL	963.6			89,976		

(1) High Technology includes SIC codes Machinery, Electrical Equipment and Supplies and Instruments.

(2) Miscellaneous includes SIC codes Petroleum Refining, Rubber, Leather, and Tobacco.

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Manufacturing Employment Trends

The major trend which appeared in manufacturing employment in Oregon from 1973 to 1983 was the increasing diversification of the economy and decreasing dependence on lumber and wood products as the primary industry. Since 1950, lumber and wood manufacturing employment's share of total manufacturing employment has dropped from about 60% to about 33.2%.

The manufacturing of durable goods has consistently comprised a larger segment of manufacturing employment than nondurable goods. In the period from 1973 to 1983, durable goods have remained at 71-73% of total manufacturing employment, with nondurable goods staying between 27-29% of total manufacturing employment. Recessionary influences resulted in a reduction in manufacturing employment in the last 3 years, with employment dropping 13.0% from the 1980 level. A 0.5% increase over 1982 manufacturing employment was realized in 1983.

The area of manufacturing employment which has shown the greatest increase has been high technology industries including machinery, electrical equipment, instruments and electronics. Since 1954 when the industries entered Oregon, growth has been fairly steady, increasing from 12.2% of total manufacturing employment in 1970, to 23.3% in 1982 and declining slightly to 21.6% in 1983.

During the first two months of 1984, Oregon's economy displayed some exceptionally strong gains. January's wage and salary employment index, for example, a measure which usually moves only a few tenths at a time, shot up nearly two full points. February's unemployment rate, seasonally adjusted, dove a full point to 8.8% of the labor force.

This broadening of the economic recovery in February was also reflected by the Oregon Diffusion Index, which measures the percentage of some 43 industries having seasonally adjusted employment gains. This indicator rose 2.3 points over the month to 62.8 in February, an amount substantially above the prior year's mark of 45.7, and also was the highest level for this leading economic indicator since 1979.

Another good indicator of Oregon's recent economic pulse is the nonagricultural wage and salary employment index. This measure, which relates the current month's seasonally adjusted nonfarm payroll employment to the 1977 annual average, also rose both over the month and from one year ago. February's index of 105.8 was the highest in over two years.

In the last few months, employment has expanded some more, but at a decelerated pace from that experienced earlier in the year. And the seasonally adjusted unemployment rate edged back up from 8.8% in February and March to 9.1% in April, although the number of unemployed dipped 4,300 in April to 130,400.

Exhibit 6 lists manufacturing employers with 1,000 or more employes. About one-third of the firms are in the forest products industry.

EXHIBIT 6

STATE OF OREGON
MANUFACTURING EMPLOYERS
WITH 1,000 OR MORE EMPLOYES

Firm Name	Employment (1)	Major Product
Tektronix, Inc.	18,000	Electronic Instruments
Weyerhaeuser Co., Inc.	6,700	Lumber and Wood Products
Boise Cascade Corp.	5,100	Lumber, Wood and Paper Products
Roseburg Lumber Co.	5,100	Lumber and Wood Products
Intel Corp.	4,000	Semiconductor Integrated Circuits
Crown-Zellerbach Corp.	3,800	Wood and Paper Products
Freightliner Corp.	3,800	Transportation Equipment
Georgia Pacific Corp.	3,200	Lumber, Wood and Paper Products
Bohemia, Inc.	2,900	Forest Products
Hewlett-Packard Corp.	2,600	Electronic Instruments
Willamette Industries	2,300	Lumber and Wood Products
Champion International Corp.	2,200	Lumber and Wood Products
Medford Corp.	2,000	Lumber and Wood Products
Publisher's Paper Company	2,000	Wood Products and Paper
Stayton Canning Co. Co-op	1,600	Canned, Frozen Fruits/Vegetables
Boeing of Portland	1,600	Transportation Equipment
ESCO Corp.	1,600	Cast Construction Equipment
White Stag Mfg. Co.	1,500	Women's Sportswear
Omark Industries Inc.	1,400	Fabricated Metal Products
Teledyne Wah Chang	1,400	Zirconium Castings
Precision Castparts Corp.	1,400	Primary Metal Products
Ore-Ida Foods, Inc.	1,200	Frozen Foods
Bingham-Willamette Co.	1,100	Industrial Vacuum Pumps
Floating Point Systems, Inc.	1,100	Computer Processing Units
Northwest Marine Iron Works	1,000	Ship Repair
FMC Corp.	1,000	Railroad Freight Cars
Hyster Co., Inc.	1,000	Industrial Lift Trucks
Jantzen, Inc.	1,000	Textile Products

(1) Note: Employment figures were provided by the firms, and represent employment as of June 1981.
Source: State Department of Economic Development, Directory of Oregon Manufacturers 1982.

Durable Goods
Lumber and Wood Products

Forest products, still Oregon's major manufacturing industry, is affected by timber supply and economic conditions affecting the demand for housing nationwide.

Employment in lumber and wood products between 1973 and 1983 showed short-term cyclical fluctuations due primarily to national economic trends rather than availability of timber. Cyclical trends tend to de-emphasize the long-term decline that is expected in this sector. The nonagricultural wage and salary employment for lumber and wood products was 80,900 in 1973, peaked at 83,800 in June 1979 and dropped to an average of 55,600 in 1982. For 1983, employment in the wood products industry rose 6,400 to 62,000, an increase of 11.5% from a year ago. Obstacles still remain to full recovery in this industry - primarily high interest rates and transportation costs to southern and eastern markets.

The state estimates that 49% of Oregon is forested and that the value of manufacturing from all forest products in 1981 was over $3.49 billion, down from $5.3 billion in 1979 and $4.5 billion in 1980. The state has over 24.2 million acres of commercial forest land and has ranked first among the states in sales of all forest products since 1938.

Primary and Fabricated Metals

Employment in primary and fabricated metals has increased from 18,400 in 1973 to 24,800 in 1979, an increase of 34.8%. In 1983, employment dropped to 16,700, a decline of 32.7%. Growth in this industry is related to increasing domestic and foreign needs for metal and metal products. Metals industry production requires substantial amounts of energy and may continue to be affected in the future by energy costs and supply.

High Technology

High technology has been the fastest growing industry group in the manufacturing sector. The strong emergence of high technology industries have broadened the state's industrial base, which in turn strengthened Oregon's resistance to the national economic downturn. Employment in electrical equipment and supplies increased from 3,600 in 1973 to 10,500 in 1983, an increase of 191.7%. Instruments and related products employment increased by 25.4% from 11,800 in 1973 to 14,800 in 1983, and employment in machinery manufacturing increased from 12,000 to 15,000 an increase of 25.0% in the same time period. Oregon's largest employer, Tektronix, Incorporated, is in this industry, primarily manufacturing electrical measuring instruments and test equipment. This industry expects continued growth, but at slower rates than in the past decade. The Oregon environment is well-suited to this type of work, which is facilitated by a dust-free atmosphere.

Transportation Equipment

About one-fourth of the employes involved in manufacturing transportation equipment in Oregon are working for mobile home and travel trailer companies. Other significant areas of employment are builders of truck and bus bodies, railroad cars and aircraft parts. Employment rose from 9,100 in 1973 to a high of 12,200 in 1979. Since 1979, employment dropped 15.6% in 1980, 13.6% in 1981, 11.2% in 1982, and 11.4% in 1983. Energy supply and demand have affected this industry as use of mass transit has stabilized and travel trailers become less practical. Employment in the manufacturing of bus and truck chassis and railroad cars may rise as employment in travel trailers decreases.

Nondurable Goods
Food and Kindred Products

Food and kindred products employment increased from 23,400 in 1973 to a high of 25,200 in 1979, an increase of 7.7%. After a 6% decrease to 23,700 in 1982, employment increased by 0.4% to 23,800 in 1983. Food products as a proportion of total manufacturing employment was about 12.7% in both 1982 and 1983.

Although few job openings are expected on an annual average basis, significant numbers of short-term openings (i.e., less than three months) are available during the year because of the seasonal increase in employment brought about by agricultural harvesting activities.

Paper and Allied Products

During 1973 Oregon employed 9,800 wage and salary workers in the paper and allied products industry. By 1980 employment had increased by 6.1% to 10,400. In 1983, employment dropped 10.6% to 9,300. Inventory controls plus a glut of newsprint has kept employment needs suppressed.

Favored by growing domestic markets, the long-term outlook for the paper industry nationally is promising. The firms in Oregon producing paper products have demonstrated less sensitivity to cyclical economic trends than the lumber and plywood companies. Demand for paper and paper products remains fairly strong in both the national and international markets.

Printing and Publishing

Employment needs in the publishing and printing industry group increased between 1973 and 1983 from 7,700 to 10,400, a gain of 35.1%.

Nonmanufacturing Employment Trends

Nonmanufacturing contains a wide variety of nongoods producing industries which accounted for 75.9% of nonagricultural wage and salary employment in Oregon in 1973, and rose to 80.6% in 1983. The number employed in this sector increased from 619,300 in 1973 to 829,500 in 1980 and then fell to 775,000 during the recession of 1982. The most important nonmanufacturing employment areas are construction; transportation, communication, and utilities; wholesale and retail trade; finance; services; and government.

Exhibit 7 shows graphically the growth of nonmanufacturing and trade employment between 1973 and 1983. Exhibit 8 compares Oregon and U.S. nonagricultural wage and salary employment for the period 1973 to 1983.

EXHIBIT 7

STATE OF OREGON
NONMANUFACTURING EMPLOYMENT TRENDS
1973-1983

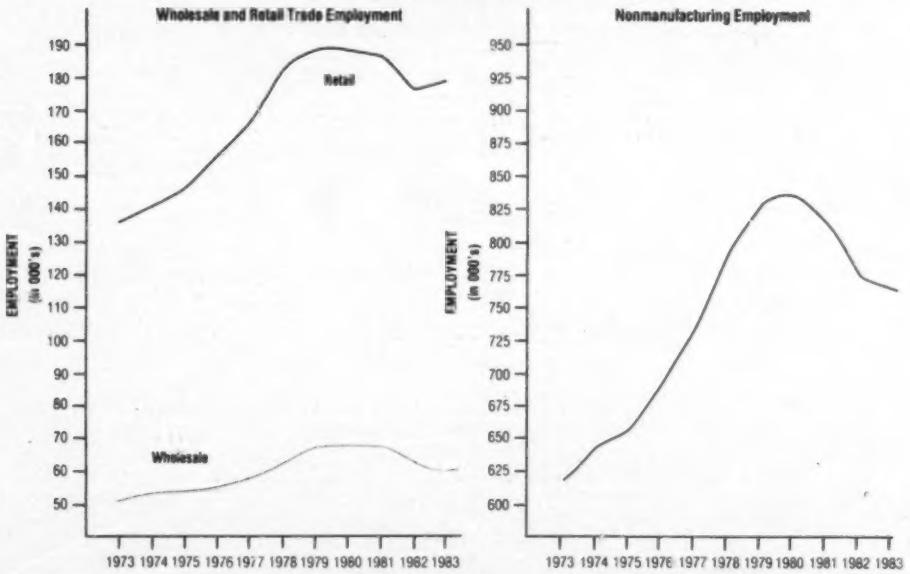


EXHIBIT 8

COMPARATIVE INDEXED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

Year	Oregon Data (000) Annual Average	Oregon Data (000) Index(1)	National Data (000) Annual Average	National Data (000) Index(1)
1973	816.2	87.1	76,790	93.1
1974	837.9	89.4	78,265	94.9
1975	837.4	89.3	76,945	93.3
1976	878.5	93.8	79,382	96.3
1977	936.9	100.0	82,471	100.0
1978	1,009.4	107.7	86,697	105.1
1979	1,056.2	112.7	89,823	108.9
1980	1,044.6	111.5	90,406	109.6
1981	1,018.4	108.8	91,156	110.5
1982	961.5	102.6	89,596	108.6
1983	963.6	102.8	89,986*	109.1*

(1) The index is based on the 1977 annual average. Using 100 as the base, the index is determined by dividing the annual average for the current period by the annual average for 1977.

* Preliminary Data

Source: Oregon Department of Human Resources, Employment Division

Contract Construction

Long-range employment requirements in contract construction are difficult to project because of the types of variables which affect construction activity. Examples of these variables are the national economy, strike activity, and housing demand.

Employment in this sector grew from 39,000 in 1973 to a high of 53,000 in 1979. Hit hard by recession, contract construction industries reported employment of only 26,400 in 1983. Home construction rose about 12% but lagged behind the nation's 60% increase. This represented 2.8% of all nonmanufacturing employment. Employment in the construction industry continued its decline in 1983 due to weakness in nonresidential building activity and the lack of demand for housing.

Transportation, Communications and Public Utilities

Employment in the transportation, communication, and public utilities group rose from 52,300 to 54,900 in the period from 1973 to 1983, an increase of 5.0%. In 1983 this group comprised 5.7% of nonmanufacturing employment.

Wholesale and Retail Trade

The trade industries grew by 28.9% between 1973 and 1983. Employment rose to 242,200 in 1983, up from 187,900 in 1973. Employment increased in 1983 from 238,800 in 1982, a modest 1.4%. During this decade, employment in retail trade rose at a more rapid rate than wholesale trade (32.2% to 20.2%). All trade represented 31.2% of nonmanufacturing employment in 1983 and 25.1% of all nonagricultural wage and salary employment. Retail food stores employment has been strong in the last four years, increasing 14.7% from 24,700 in 1979 to 28,300 in 1983.

Finance, Insurance and Real Estate

Growth in this area was significant between 1972 and 1980. Peak employment for the period of 70,000 was reached in 1980 and then fell off to 64,700 in 1983. The increase in employment in this sector between 1973 and 1983 was 37.1%. The post-1980 decline can be attributed, in part, to closure of recession weakened real estate offices and mergers of financial institutions.

Services

Service employment grew from 130,700 in 1973 to 193,900 in 1983, an increase of 48.4%. This area comprises 25.0% of nonmanufacturing employment.

Growth in employment in this industry group has resulted primarily from increases in population, disposable income and a growing demand for personal, business, medical and protective services. Gains have also been made in private education and amusements. Employment in health services has shown a 9.9% increase from 1979 employment of 60,600 to 1983 employment of 66,600.

Government

Most government employment in the state is with state and local governments. The federal government employed 29,200 persons in Oregon in 1983, an increase of 12.7% over 1973 levels, but below peak employment of 30,800 in 1980.

State employment also reached its highest level in 1980 at 55,300 and then declined to 51,900 in 1983. The state's employment change over the 1973-1983 periods was +15.8%. Greatest growth occurred at the local level where employment rose from 89,600 in 1973 to 111,800 in 1983 - an increase of 24.8%. When 1983 is compared with 1982 data, local governments had 3,800 fewer employes, state government had 1,000 more employes and the federal government had 100 more employes. The 1979 Legislative Assembly enacted a law limiting state government employment to not more than 1.6% of the state's official population. Certain employe groups are exempt from this limitation.

Exhibit 9 compares 1983 manufacturing employment in Oregon to the United States by type of industry.

EXHIBIT 9

COMPARATIVE MANUFACTURING EMPLOYMENT, 1983

	Oregon		U.S.	
Manufacturing by Industry	Employment (In thousands)	Percent of Total Manufacturing	Employment (In thousands)	Percent of Total Manufacturing
Lumber and Wood	62.0	33.2%	676	3.6%
Furniture and Fixtures	27.3	1.2	451	2.4
Stone, Clay and Glass	3.1	1.7	575	3.1
Primary Metals	7.4	4.0	839	4.5
Fabricated Metals	9.3	5.0	1,396	7.5
Machinery	15.0	8.0	2,088	11.2
Electrical Equipment and Supplies	10.5	5.6	2,045	10.9
Transportation Equipment	7.0	3.7	1,784	9.5
Instruments	14.8	7.9	694	3.7
Miscellaneous Manufacturing	2.3	1.2	443	2.4
Food	23.8	12.7	1,631	8.7
Textiles	1.7	0.9	744	4.0
Apparel	2.5	1.3	1,170	6.3
Paper	9.3	5.0	659	3.5
Printing and Publishing	10.4	5.6	1,283	6.9
Chemicals	2.1	1.1	1,058	5.7
Petroleum Refining	0.5	0.3	197	1.0
Rubber	2.5	1.3	727	3.9
Leather	0.5	0.3	216	1.2
	187.0	100.0%	18,678	100.0%

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics

Exhibit 10 summarizes employment and unemployment data as compared to the United States for 1970 through June of 1984.

EXHIBIT 10

COMPARATIVE UNEMPLOYMENT AND UNEMPLOYMENT RATES (Annual Averages, In Thousands)

Date	Civilian Labor Force		Unemployed		Unemployed Rate		Oregon Rate as % of U.S. Rate
	OR	U.S.	OR	U.S.	OR	U.S.	
1970	865	82,771	62	4,093	7.1%	4.9%	144.9%
1971	903	84,382	68	5,016	7.6	5.9	128.8
1972	959	87,034	66	4,882	6.8	5.6	121.4
1973	1,001	89,429	62	4,365	6.2	4.9	126.5
1974	1,015	91,949	76	5,156	7.5	5.6	133.9
1975	1,039	93,775	110	7,929	10.6	8.5	124.7
1976	1,068	96,158	102	7,406	9.6	7.7	124.7
1977	1,130	99,009	83	6,991	7.3	7.1	102.8
1978	1,196	102,251	72	6,202	6.0	6.1	98.4
1979	1,217	104,962	83	6,137	6.8	5.8	117.2
1980	1,271	106,940	105	7,637	8.3	7.1	115.5
1981	1,337	108,670	132	8,273	9.9	7.6	130.3
1982	1,316	110,204	152	10,678	11.5	9.7	118.6
1983	1,332	111,550	141	10,717	10.8	9.6	112.5
January, 1984	1,301	111,025	155	9,755	9.8*	8.0*	122.5
February, 1984	1,293	111,368	141	9,407	8.8*	7.8*	112.8
March, 1984	1,298	111,828	135	9,057	8.8*	7.8*	112.8
April, 1984	1,307	112,152	130	8,525	9.1*	7.8*	116.7
May, 1984	1,315	113,251	123	8,154	9.1*	7.5*	121.3
June, 1984(1)	1,341	115,393	123	8,582	9.3*	7.1*	130.9

(1) Preliminary Data

* These rates reflect seasonal adjustment. Unadjusted Oregon rates for January through June 1984 are 12.0%, 10.9%, 10.4%, 9.9%, 9.3% and 9.2%, respectively. The corresponding national raw rates are 8.8%, 8.4%, 8.1%, 7.6%, 7.2% and 7.4%, respectively.

Source: State of Oregon, Department of Human Resources, Employment Division

Projections for Broad Occupational Groups

Total wage and salary employment growth is expected to create approximately 198,589 new jobs between 1982 and 1990. This represents a continuation of the overall economic expansion Oregon experienced during the previous decade.

Overall total wage and salary employment should increase 20.3% between 1982 and 1990. This will differ in the major occupational group levels. The fastest growing group for the same time interval is expected to be sales occupations increasing 26.2%, while the slowest is expected to be farm workers, decreasing 6.8%. In 1990 white collar wage and salary workers should total approximately 610,241 and will account for about 51.4% of total wage and salary employment. Blue collar workers are expected to increase from about 301,954 in 1982 to 374,601 in 1990. At that time, blue collar workers are expected to represent about 32% of total wage and salary employment, up only 1% from about 31% in 1982. Service occupations comprise the third largest occupational group in Oregon. Employment in this group is expected to expand from 159,104 in 1982 to an estimated 190,875 in 1990 and will account for roughly 16.2% of all wage and salary employment.

Exhibit 11 projects occupational employment trends through 1990.

EXHIBIT 11

STATE OF OREGON OCCUPATIONAL EMPLOYMENT TRENDS, 1982-90 (Annual Averages)

Occupational Title	1982		Projected 1990		Change	
	Empl.	Pct.	Empl.	Pct.	1982-90	% Change
Professional and Technical	156,906	16.1%	182,971	15.6%	26,065	16.6%
Managers and Officers	81,944	8.4	99,021	8.4	17,077	20.8
Sales	93,730	7.5	89,206	7.6	15,476	20.9
Clerical	203,490	20.8	239,043	20.3	35,553	17.5
Craftworkers and Supervisors	101,715	10.4	127,955	10.9	26,240	25.8
Operatives	132,651	13.6	167,386	14.2	34,735	26.2
Services	159,104	16.3	190,875	16.2	31,771	20.0
Laborers, Excluding Farm	56,899	5.8	69,302	5.9	12,403	21.8
Farm Workers	10,689	1.1	9,958	0.9	−731	−6.8
TOTAL	977,128	100.0%	1,175,717	100.0%	198,589	20.3

Source: State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.

Agriculture

Agriculture is usually considered to be Oregon's second leading industry, with gross farm sales of over $1.73 billion in 1983. Oregon's highly diversified agricultural base reported 85 commodities with sales of $1 million or more in 1983. Of this number, 29 reported gross sales of $10 million or more. This diversity is facilitated by the state's varied topography, rich soil and moderate climate.

Oregon agriculture continues to follow the national trend of increasing capital intensity. Agricultural employment has been decreasing as constant dollar output has increased. Although every county in the state is involved in agricultural production, activity is concentrated in the fertile Willamette Valley. Recent agricultural expansion has been the result of more efficient methods and the increasing use of irrigation.

The top ten cash commodities for 1983 were: cattle and calves, $276.1 million; wheat, $235.7 million; dairy, $188.0 million; nursery crops, $89.0 million; potatoes, $92.0 million; alfalfa hay, $62.9 million; farm forest products, $50.5 million; Christmas trees, $34.4 million; barley, $39.2 million and dry onions, $37.4 million. A description of farm cash receipts by general commodity group since 1977 is provided in Exhibit 12.

EXHIBIT 12

OREGON GROSS FARM SALES

Commodity	Value (Millions of dollars) 1977	1978	1979	1980	1981	1982	1983	1983 % of Total Value
ALL CROPS	$696.8	$812.5	$906.3	$1,102.6	$1,136.9	$1,076.5	$1,151.5	66.5%
Grains	148.0	200.4	234.6	336.8	328.3	294.2	299.2	17.3
Hay and Silage	44.5	39.6	48.2	63.3	55.2	69.4	80.9	4.7
Grass and Legume Seeds	78.3	81.0	94.2	102.1	106.4	101.0	105.1	6.0
Field Crops	138.3	132.5	118.7	155.2	163.3	145.4	169.3	9.8
Tree Fruits and Nuts	71.2	91.4	105.8	98.7	96.5	98.2	89.5	5.2
Small Fruits and Berries	32.3	34.7	38.5	31.5	35.5	47.8	52.7	3.0
All Vegetable Crops	80.1	93.6	93.7	114.0	139.6	118.2	125.6	7.3
Specialty Products	104.0	139.3	172.8	201.1	212.2	202.2	229.0	13.2
ALL LIVESTOCK AND PRODUCTS	370.7	444.5	608.7	560.8	598.0	657.0	579.2	33.5
Cattle and Calves	180.0	230.0	360.0	290.0	295.0	354.3	275.0	15.9
Dairy Products	103.6	114.6	133.3	151.5	166.8	178.5	188.0	10.9
Eggs and Poultry	50.4	54.8	61.4	61.3	70.1	63.1	57.8	3.3
Miscellaneous Animals	36.7	45.1	54.0	58.0	66.1	61.1	58.4	3.4

Source: Oregon State University, Extension Economic Information Office.

Housing

The Oregon housing industry has typically mirrored that of the nation as a whole in that it is subject to cyclical downturns. The problems for Oregon's market in the past recession has been compounded by high interest rates, which have limited the bond issuances of the state's Department of Veterans' Affairs. In periods of more moderate interest rates, the DVA has been one of the state's most active mortgage lenders. The DVA's inability to market bonds at rates attractive to qualifying veteran borrowers has contributed to a negative situation in the housing industry for the past two years. Conditions appear favorable for a sustained housing recovery through the end of the next year.

If the slow population growth recorded by Oregon in 1983 is indicative of a long-term pattern of more moderate expansion, the housing industry will not be rebounding to levels of activity experienced in the mid-1970s. However, a temporary improvement in interest rates as a result of a healthier economy sparked a 38.5% increase in single-family permits in 1983. This was a substantial recovery from the declines experienced in 1982. Total permit activity rose 14.2% over 1982 figures. Nonetheless, due primarily to the termination of some federal housing programs, multi-family permits issued dropped by 33.8%.

Exhibit 13 summarizes the annual totals for building permit activity since 1973.

EXHIBIT 13

OREGON BUILDING PERMITS(1)

Year	Single-Family Dwellings	Percent Change	Multi-Family Dwellings	Percent Change
1973	13,153	– 7.5%	9,639	–40.2%
1974	10,732	–18.4	4,739	–50.8
1975	14,527	+35.4	5,617	+18.5
1976	20,505	+41.2	10,687	+90.3
1977	25,986	+26.7	13,506	+26.4
1978	25,316	– 2.6	12,901	– 4.5
1979	17,426	–31.2	10,162	–21.2
1980	13,525	–22.4	5,651	–44.4
1981	8,016	–40.7	4,102	–27.4
1982	4,881	–39.1	2,470	–39.8
1983	6,759	38.5	1,634	–33.8
1984 (thru 6/30)	3,339	—	791	—

Source: State of Oregon, Department of Commerce, Housing Division.

(1) Effective in 1983, data reflect an adjustment to account for non-reported building activity. For 1983, this adjustment factor is approximately 2%.

Population

Oregon's July 1, 1983 population was determined to be 2,635,000 by Portland State University's Center for Population Research and Census, the state's official bureau for population data. Since 1960, the state's population has increased by approximately 50%. In 1984, the Center projected a population of 3,293,656 by the year 2000, an increase of about 25% for the next twenty years.

Based on percent change (25.9% from April 1, 1970 to April 1, 1980), Oregon ranked thirteenth among the states in rate of population growth. In 1977 and 1978, Oregon recorded population increases of more than three times the national average. In 1981 this trend was reversed as Oregon grew by only 0.78% compared to the national rate of .95%. From July 1, 1981 to July 1, 1983, the state's population dropped .97%, with a net-outmigration of 64,589.

There are four major urban population areas in Oregon. The City of Portland located in Multnomah County, is the state's largest city and had a population of 365,000 as of July 1, 1983. The Oregon portion of the Portland Standard Metropolitan Statistical Area (SMSA), which is comprised of Clackamas, Multnomah, and Washington counties had a population of 1,114,700 at that time (not included in that figure is Clark County, Washington, which is a part of the Portland SMSA).

The second largest urban center is the Eugene metropolitan area located in Lane County at the southern end of the Willamette Valley. Eugene had a population of 103,100 as of July 1, 1983 and the Eugene-Springfield SMSA had a population of 269,900 on that date. Salem, the state's third largest city, had a population of 90,720 on July 1, 1983. Salem is situated in the heart of the Willamette Valley and serves as the State Capitol. In addition, the City of Medford, and Jackson County, were designated as a new SMSA as a result of the 1980 Census. The population of the Medford SMSA as of July 1, 1983 was 133,350.

As can be seen from this description of population distribution, most of the state's residents are located in the Willamette Valley. Approximately 68% of Oregon's population reside in this valley.

Exhibit 14 presents comparative population information for Oregon and the United States between 1940 and 1983.

EXHIBIT 14

COMPARATIVE POPULATION GROWTH OREGON AND UNITED STATES, 1940-1983 (As of July 1)

Year	Oregon	% Change	United States	% Change
1940	1,090,000	—	132,165,000	—
1950	1,521,000	39.54%	151,326,000	14.50%
1960	1,769,000	16.31	179,323,000	18.50
1970	2,091,500	18.23	203,984,000	13.75
1971	2,143,000	2.46	206,827,000	1.39
1972	2,183,300	1.88	209,284,000	1.19
1973	2,224,900	1.91	211,357,000	0.99
1974	2,266,000	1.85	211,389,000	0.02
1975	2,299,000	1.46	213,051,000	0.79
1976	2,341,800	1.86	214,680,000	0.77
1977	2,396,100	2.32	216,400,000	0.80
1978	2,521,850	5.25	218,228,000	0.85
1979	2,584,350	2.48	224,567,000	2.90
1980	2,639,915	2.15	227,156,000	1.15
1981	2,660,735	0.78	229,307,000	0.95
1982	2,656,185	−0.17	231,479,000	1.19
1983	2,635,000	−0.80	234,249,000	.95

Sources: 1940-1960 — State of Oregon, Department of Human Resources, Employment Division, Research and Statistics.
1970-1983 — Center for Population Research, Portland State University (estimates are as of July 1 of year shown).

Personal Income

Per capita personal income as a percentage of the national average has risen steadily in the last decade from 94.1% in 1970 to 100.1% in 1979. The average increase in per capita income in Oregon for 1970 through 1979 was 9.87% compared with 9.12% for the United States. In recent years the rate of growth of per capita income in Oregon has slowed to slightly less than the national average.

The Oregon Department of Energy forecasts an average annual real rate of growth of total personal income of 2.5% through the year 2000, and a real per capita average annual rate of increase of about 1.2%. The projected personal income growth rate is down 1.5% from the actual growth rate experienced between 1970 and 1980.

Exhibit 15 shows per capita personal income since 1960 for Oregon, the United States and three of Oregon's Standard Metropolitan Statistical Areas, Portland, Eugene and Salem.

EXHIBIT 15

COMPARATIVE PER CAPITA INCOME 1960-1983 (Current Dollars)

Year	Portland SMSA	Eugene SMSA	Salem SMSA	Oregon	Percent Change	U.S.	Percent Change	Oregon as Percent of U.S.
1960	—	—	—	$ 2,218	—	$ 2,216	—	100.1%
1970	$ 4,167	$3,251	$3,398	3,711	69.1%	3,945	79.2%	94.1
1971	4,463	3,521	3,654	3,956	6.6	4,167	5.6	94.9
1972	4,860	3,880	3,995	4,346	9.9	4,515	8.4	96.3
1973	5,363	4,349	4,615	4,835	11.3	5,010	11.0	96.5
1974	5,945	4,675	4,996	5,335	10.3	5,448	8.7	97.9
1975	6,417	5,128	5,345	5,723	7.3	5,842	7.2	98.0
1976	7,116	5,847	5,981	6,368	11.3	6,367	9.0	100.0
1977	7,831	6,640	6,546	6,998	9.9	6,984	9.7	100.2
1978	8,813	7,382	7,180	7,844	12.1	7,776	11.3	100.9
1979	9,781	8,069	7,915	8,664	10.4	8,657	11.3	100.1
1980	10,636	8,404	8,414	9,356	8.0	9,503	9.8	98.4
1981	11,565	9,026	9,006	10,017	7.1	10,582	11.3	94.7
1982	11,564	9,178	9,362	10,231	2.1	11,100	4.9	92.2
1983	—	—	—	10,920	6.7	11,675	5.2	93.5

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Exhibit 16 shows total personal income, rates of change, and comparisons to the United States for the period from 1950 to 1983.

EXHIBIT 16

COMPARATIVE PERSONAL INCOME 1950-1983 (Billions of Current Dollars)

Year	Oregon	Percent Change	U.S.	Percent Change	Oregon as % of Total
1950	$ 2.5	—	$ 225.7	—	1.11%
1960	3.9	56.0%	398.8	76.7%	0.98
1970	7.8	100.0	803.9	101.6	0.98
1971	8.5	9.0	861.9	7.2	0.99
1972	9.5	11.8	944.9	9.6	1.01
1973	10.8	13.7	1,058.9	12.1	1.02
1974	12.2	13.0	1,162.2	9.8	1.05
1975	13.3	9.0	1,258.6	8.3	1.06
1976	15.1	13.5	1,385.2	10.1	1.09
1977	17.1	13.2	1,534.7	10.8	1.11
1978	19.7	15.2	1,727.0	12.5	1.14
1979	22.3	13.2	1,943.9	12.6	1.15
1980	24.7	10.8	2,158.7	11.0	1.14
1981	26.7	8.1	2,426.9	12.4	1.10
1982	27.4	2.6	2,571.5	6.0	1.07
1983	29.1	6.2	2,731.8	6.2	1.07

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System.

Consumer Price Index

Between 1972 and 1980, inflation in the Portland SMSA increased more rapidly than in the nation as a whole. In 1972, the Portland Consumer Price Index (CPI) was only 95.4% of the national average. By 1979 that relative measure had climbed to 103.7%. However, in the last two years, inflation in Portland has slowed to an annual average rate of 3.2% in 1982 and 2.9% in 1983, while the national rate has slowed to 6.1% in 1982 and 3.8% in 1983. Exhibit 17 shows the change in CPI since 1970 for the Portland SMSA and the United States.

EXHIBIT 17

CONSUMER PRICE INDEX(1)
FOR OREGON AND U.S.
(Annual Averages)

Year	Portland SMSA	United States	Portland CPI as Percent of U.S. CPI
1970	113.2	116.3	97.3%
1971	116.1	121.3	95.7
1972	119.5	125.3	95.4
1973	127.3	133.1	95.6
1974	142.8	147.7	96.7
1975	156.5	161.2	97.1
1976	167.0	170.5	97.9
1977	180.2	181.5	99.3
1978	198.4	195.4	101.5
1979	225.4	217.4	103.7
1980	255.4	246.8	103.5
1981	278.2	272.4	102.1
1982	287.0	292.4	98.1
1983	293.9	303.5	96.8

(1) The Consumer Price Index is computed using 1967 = 100 as base year. All urban consumers.

Source: U.S. Bureau of Labor Statistics

Energy
State Energy Policy

Historically, the Pacific Northwest energy picture has been dominated by the availability of plentiful, low-cost hydroelectric power. Although electricity is still less expensive in Oregon than in many other areas of the country, the last major hydro generating plant on the Columbia River was completed in 1975. National shortages and dependence on imported oil, rapid population growth and increasing energy consumption in the state over the past decade, and the lack of a comprehensive federal energy program have contributed to the state's decision to formulate and implement its own energy policy.

The 1975 Legislature set the framework for Oregon's energy planning with the creation of the Oregon Department of Energy, which has responsibility for implementing and managing the state's energy policy. The 1977 and 1979 legislative sessions adopted conservation and renewable resource incentive programs by which the state could pursue goals adopted in 1975.

The Department of Energy has responsibility for energy conservation, renewable resources, energy planning, long-range supply and demand forecasting, energy facility siting, and regulation and monitoring.

Oregon's Energy Facility Siting Council has jurisdiction over major energy facilities in Oregon. During 1982, the Council reviewed its 1981 Need-for-Power Plan to reflect new programs and policies adopted by the 1981 legislature and instituted under the Regional Power Act. The Need-for-Power plan was revised in January 1983 to more clearly define choices available to Oregon and to have Oregon's perspectives reflected in the Regional Energy Plan and its programs. The Regional Energy Plan was adopted April 27, 1983, and the State's Siting Council will review and adopt its plan where changes are appropriate.

Oregon moved ahead in 1982 in several energy arenas that promote saving energy and money through conservation, and increased reliance on sustainable energy resources. During 1982, the Energy Facility Siting Council considered applications for a transmission line from Eugene to Medford, and a disposal site for low-level radioactive wastes. State legislation adopted in 1981 authorized the Siting Council to site within Oregon certain low-level radioactive waste disposal facilities. A comprehensive program regulating such shipments went into effect in 1982. ODOE licenses shippers and ensures effective coordination among the state and local agencies involved. Three state agencies are responsible for inspection and accident response.

New initiatives proposed by Governor Atiyeh and adopted by the 1981 legislature became effective in 1982. Comprehensive residential weatherization services were offered by electric and natural gas utilities. These services include energy audits and cash grants (maximum $350) or low interest loans. Separate legislation endorsed by the Governor offers free home energy audits and low-interest weatherization loans to residential fuel oil customers. Commercial customers will also receive energy audits through gas and electric utilities. Business and industry received tax credits for alternate energy, waste heat recovery, conservation, and recycling. These tax credits are available for up to 35% of costs and the collective eligible investments may total $40 million annually.

Energy Supply Trends

The State of Oregon Department of Energy reports that electricity, natural gas, petroleum, and wood residues have been our primary energy sources. In the mid-1970's, renewable resources other than hydro and wood, entered the state energy market. Energy conservation also became a viable energy source.

The Energy Department estimates that electricity comprised about 26% of Oregon's conventional energy consumption in 1980. For the bulk of the Northwestern states relatively cheap electricity is from hydro generation, rather than from thermal power plants which are used in most other states. The major generating projects in the state are the hydro dams on the Columbia River, the Trojan nuclear plant, and the Boardman coal-fired plant. Many smaller hydro projects are located on various Oregon rivers.

Electricity is marketed by investor-owned utilities, publicly-owned utilities, and the Bonneville Power Administration (BPA). Investor-owned utilities sold 64% of the electricity consumed in Oregon in 1981. Publicly-owned utilities, which get most of their electricity from BPA, sold 23% of the state's electricity, and BPA sold the remaining 13% directly to direct-service industrial customers.

Petroleum products accounted for 59% of the conventional energy consumption in Oregon in 1980. Petroleum products consumed include gasoline, distillate and residual fuel oils, liquid petroleum gas, jet fuel, and kerosene. The bulk of the supply comes from Puget Sound refineries, with some transported by rail and truck from California, and from Salt Lake City through the Chevron pipeline. Oregon's consumption reflects the instability in the international oil market of the 1970's. Since 1979, each year's consumption has been lower than that of the previous year. Gasoline consumption per person fell 19.7% between 1978 and 1980.

Consumption of natural gas peaked in 1973 when it provided 21 percent of the state's energy resources. In 1980, consumption declined to about 15% of total energy consumption, with further declines taking place in 1981 and 1982. The primary reason for the decline in consumption has been the dramatic price increases. In 1980, two-thirds of Oregon's supply was imported from Canada. Currently, about half of the supply is imported from Canada, with the remainder coming from the Rocky Mountains and the Southwest.

Oregon has more than 60 operating hydroelectric projects with a combined capacity of 1,500 megawatts, with another 7,000 megawatts of capacity installed in the seven Columbia and Snake River dams on the state's borders. Suppliers are looking at smaller sites for projects of 25 megawatts or less. Within the last two years the state has seen the beginning of development of 45 hydro-electric projects, which will meet the electricity needs of 7,000 homes.

Oregon has abundant renewable resources, particularly in geothermal energy. The Oregon climate is also well suited to the use of passive solar energy and wind systems. Government programs and efforts by private enterprise have combined to develop a variety of alternate energy resources. The forest products industry has historically used self-generated residues as fuel to meet its energy needs.

In November 1980, Congress passed the Pacific Northwest Electric Power Planning and Conservation Act. The bill establishes a mechanism for planning and financing new energy resources on a regional basis. Substantial funding is provided under the bill to promote conservation and renewable resources throughout the region.

The Act established a Regional Planning Council to develop a regional conservation and electric power supply plan by April 1983. The eight member council comprises representatives of Idaho, Montana, Oregon and Washington. The council worked in 1982 to assess the electricity demand of the Northwest and the cost and availability of resources to meet that demand. The Regional Power Act stresses conservation, renewable resources, and cogeneration. The Act directed the Council to complete a program aimed at protecting and enhancing the fish and wildlife along the Columbia River System and increasing water flows to carry the fish down the Columbia to the Pacific Ocean. The council adopted a 20-year plan on April 23, 1983.

The State's Energy Facility Siting Council has jurisdiction over major energy facilities in Oregon. The Siting Council revised the state's Need-for-Power Plan in January 1983 to more clearly define choices available to Oregon under policies adopted by the 1981 legislature, and those instituted under the Regional Power Plan.

The 1979 Oregon legislature approved legislation authorizing loans to individuals, small businesses, nonprofit organizations and municipal corporations for small-scale alternative energy projects. Funds for the loans are obtained through sale of general obligation industrial development bonds.

Conservation has central emphasis in Oregon's energy program. The perspective is positive, viewing conservation as a source of energy, rather than in the negative sense of cutbacks in the quality of life. This viewpoint is reflected in the Pacific Northwest Regional Power Plan, which treats conservation as a resource that must be fully exploited before new thermal plants can be built.

Conservation programs in the state include weatherization programs, a stringent building code, consideration of energy as a factor in land use planning, and numerous means of facilitating a flow of technological information between the state, individual homeowners and the private sector. In its efforts the state has attempted to avoid duplication of efforts and expertise existing in the private sector.

Use of Energy in Manufacturing

Total energy use in Oregon's manufacturing sector as a whole has increased very slowly despite substantial increases in employment and production. Between 1971 and 1979, purchased energy use in Oregon manufacturing increased by only 6% despite a 70% rise in real value added and a 26% percent increase in employment. However, electricity use increased by about 30% during that period. At the same time, purchased fuel use decreased by about 5%. In particular, these trends in energy, electricity, and fuel use held for the food, lumber and wood, and paper industries. Conservation efforts likely explain the different growth rates for electricity and purchased fuels, apparently caused by increasing energy prices. Between 1971 and 1979, purchased electricity prices increased about 80%, petroleum prices about 170%, and natural gas prices about 270%, after adjusting for inflation.

Exhibit 18 shows energy consumption by type in Oregon since 1960.

EXHIBIT 18

STATE OF OREGON
CONSUMPTION OF ENERGY BY TYPE 1960-1982
(Trillion BTU)

Year	Coal	Natural Gas (Dry)	Petroleum	Nuclear Power	Hydro-electric Power(1)	Wood and Waste(2)	Sub Total	Electricity Exchanged Across State Borders(3)	Total Energy Consumed
1960....	8.9	31.9	227.5	0.0	134.1	0.3	402.7	27.8	430.5
1961....	9.4	35.0	228.5	0.0	133.0	0.2	406.1	34.1	440.2
1962....	8.8	39.2	237.9	0.0	140.6	0.3	426.8	35.5	462.3
1963....	7.5	44.7	246.7	0.0	142.9	0.3	442.1	38.7	480.8
1964....	6.8	55.7	266.2	0.0	157.0	—	485.7	49.1	534.8
1965....	7.1	57.9	262.3	0.0	172.6	0.3	500.2	46.1	546.3
1966....	6.5	67.2	278.3	0.0	174.1	0.5	526.6	59.1	585.7
1967....	4.8	72.1	277.0	0.0	186.3	—	540.2	61.9	602.1
1968....	3.9	81.7	296.7	0.0	212.6	—	594.9	51.4	646.3
1969....	4.0	90.6	310.5	0.0	291.4	—	696.5	- 6.9	689.6
1970....	3.0	98.2	313.1	0.0	313.9	0.5	728.7	- 14.8	713.9
1971....	3.4	104.0	331.7	0.0	360.1	0.3	799.5	- 41.7	757.8
1972....	2.2	113.3	365.8	0.0	378.6	0.6	860.5	- 55.5	805.0
1973....	2.1	110.1	369.9	0.0	292.4	0.6	775.1	45.6	820.7
1974....	3.3	100.4	343.1	0.0	376.0	0.5	823.3	- 17.1	806.2
1975....	2.7	112.1	328.0	—	359.6	—	802.4	28.4	830.8
1976....	5.9	94.3	332.9	23.2	367.0	0.5	823.8	16.0	839.8
1977....	5.2	73.9	359.9	69.9	254.5	2.7	766.1	71.1	837.2
1978....	4.7	87.5	384.6	17.1	330.6	1.4	825.9	73.6	899.5
1979....	4.7	95.4	389.5	47.9	309.2	2.2	848.9	77.8	926.7
1980....	12.4	80.6	368.7	58.8	314.0	1.7	836.2	60.0	896.2
1981....	26.3	77.5	352.6	70.9	336.2	1.3	864.8	6.3	871.1
1982....	12.1	72.7	364.2	52.8	473.5	0.4	975.7	- 131.6	844

(1) Includes industrial and utility production.

(2) Consumed at utilities to produce electricity.

(3) Imports (export) of electricity to Oregon.

Note: Totals may not equal sum of components due to rounding.

Note: Totals do not included wood derived fuel consumed by the pulp and paper industry which amounted to an estimated 1.0 quadrillion BTU in the United States in 1978. Also excludes small quantities of other energy sources for which consistent historical data are not available, such as solar energy obtained by the use of thermal and photovoltaic collectors; wind energy; and geothermal, biomass, and waste energy other than that consumed at the electric utilities.

Source: U.S. Department of Energy, Energy Information Administration, State Energy Data Report, April 1980.

Energy Forecasts

The Oregon Department of Energy forecast in its Seventh Annual Report of January 1983 energy needs for the state by a complex methodology using end-use analysis and econometric modeling. Forecasts include projections of population, employment, energy intensiveness of manufacturing, income, price, consumption, energy sources, and consumption by sector.

Energy demand is forecasted to continue to grow but at a slower rate than in the past. Oregon's total energy demand will increase at an average annual rate of 1.2% through 2002. That growth rate implies that Oregonians will use 27% more energy in 2002 than in 1982. A significant portion of the growth, especially in the period 1982-1986 is due to recovery from the current recession. By 1987, total energy consumption is expected to recover to the 1980 level. Although less than historical rates, this growth is significant and is the result of an expected moderate growth in population and a healthy economy. Population, however, is forecasted to grow at a slower rate than in the past. Population is expected to increase by 392,600 persons over the period 1980-1990 compared to 541,600 during 1970-1980.

The Seventh Annual Report of the Department of Energy is available from the State of Oregon Department of Energy (503) 378-4040.

International Trade and Exports

Like other segments of Oregon's economy, geography and natural resources have played a role in the development of the state's international trade activities. The majority of the state's international trade occurs through the Port of Portland, where an efficient system for dealing with a large number of vessels has been developed, including modern grain elevators, cranes, break-bulk and containerized cargo facilities, and ship repair and drydock facilities. Other important ports are located at the coastal cities of Astoria, Newport and Coos Bay. The state has a total of twenty-three port districts - all located on navigable waterways.

The Port of Portland is one of the leading export ports on the West Coast. Grain is the principal export commodity and in fiscal 1981, the Port of Portland shipped 5,060,414 tons, an increase of 29.8% over 1980. The 1982 level decreased to 4,523,290 tons, with an increase of 5.0% in 1983 to 4,752,009 tons. The Port is the leading auto import center on the coast, currently handling 269,628 cars a year. The total tonage of all items shipped through the Port (excluding grain) was 2,538,069 in fiscal 1983, an increase of 20.1% over 1982. November 1983 set a record high when $318,268,603 in goods were imported.

The Oregon Customs District (which includes Astoria, Coos Bay, Newport and Portland and the Washington ports of Vancouver, Kalama, and Longview) has had a substantial trade surplus throughout the decade. Both imports and exports have grown significantly in the past ten years. Grains have dominated exports while automobiles are the principal import item. Exhibit 19 presents value of exports and imports of the Oregon Customs District from 1969 to 1983. Customs District data do not necessarily represent products of Oregon or having Oregon as final destination and exclude certain air cargos. For 1983, exports and imports show 7.4% and 2.3% increases, respectively.

EXHIBIT 19

STATE OF OREGON
OREGON CUSTOMS DISTRICT EXPORTS AND IMPORTS
1969-1983
(Millions of Current Dollars)

Year	Exports	% Change	Imports	% Change	Export Surplus
1969	$ 665.7	—	$ 357.4	—	—
1970	786.9	+ 18.2%	382.1	+ 6.9%	404.8
1971	576.7	- 26.7	412.5	+ 8.0	164.2
1972	791.4	+ 37.2	484.6	+17.5	306.8
1973	1,697.2	+114.5	605.2	+24.9	1,092.0
1974	2,250.7	+ 33.1	903.5	+49.3	1,347.2
1975	1,982.2	- 12.3	809.0	-10.5	1,173.2
1976	2,134.9	+ 7.7	1,108.2	+37.0	1,026.7
1977	1,798.3	- 15.8	1,551.4	+ 3.9	246.9
1978	2,414.8	+ 34.3	2,055.7	+78.5	359.1
1979	3,063.6	+ 26.9	2,361.8	+14.9	701.8
1980	3,761.4	+ 22.8	2,623.9	+12.1	1,137.5
1981	3,290.7	- 12.5	2,359.0	-10.1	931.7
1982	2,784.5	- 15.4	2,245.3	- 4.8	539.2
1983	2,989.3	+ 7.4	2,296.1	+ 2.3	693.2

Source: U.S. Department of Commerce, Portland District Office.

Tourism

Oregon has many outstanding features which favor development of tourism. The state is noted for protection of its clean environment and natural scenic beauty. Within state boundaries exist major mountain ranges, vast coastal and desert regions, and multi-use and wilderness forest areas. The state has over 400 miles of seacoast, 47,000 miles of streams, 1,400 lakes and reservoirs, 225 state parks and a national park. While summer is traditionally the peak vacation season, tourism contributes all year to the state's economy and is enhanced by a mild, comfortable climate throughout the year and a wide variety of available leisure activities.

Over 12.9 million pleasure travelers were recorded in 1983, an increase of 9.3% over 1982. The average traveler stayed in Oregon 5.6 days in 1982. Despite a weak national economy, out-of-state tourist counts dropped only 1% from 1981 to 1982.

The overall impact of tourism on Oregon's economy is difficult to estimate. Tourism consists of segments of the retail trade, service and transportation industries. The availability and price of motor fuel usually affects the number of out-of-state visitors each year, but the impact of this variable is off-set somewhat by the number of Oregonians choosing to vacation within the state.

By bringing in capital from outside the state, tourism has a significant impact on income and employment levels. The Oregon State Highway Division estimated an increase in tourist expenditures of 11.4% between 1980 and 1981 with a 1981 total of $1.27 billion. In 1983, it was estimated that out-of-state travelers spent $1.6 billion in Oregon, a 10.5% increase over 1982. Favorite spots for travelers are the Oregon Coast, the Portland/Columbia Gorge/Mt. Hood areas, and Southern Oregon.

Post Secondary Education

The Oregon State Board of Higher Education is the governing board for the Oregon State System of Higher Education. Approximately 58,896 students attend the eight institutions composing the system. Enrollment is projected to decrease slightly over the next five years. The state operates four universities: the University of Oregon in Eugene, Oregon State University in Corvallis, Portland State University in downtown Portland and the Oregon Health Sciences University which consists of Medical, Dental and Nursing Schools located in Southwest Portland. Other state schools include Eastern Oregon State College, Western Oregon State College, the Oregon Institute of Technology and Southern Oregon State College.

In addition, there are twenty-five independent colleges, fifteen community colleges and various proprietary vocational schools in the state.